Research Report No 215

Students In The Labour Market

Nature, Extent and Implications of Term-Time Employment Among University of Northumbria Undergraduates

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AUTHORSHIP

The full *Students in the Labour Market* Northern Economic Research Unit project team consisted of Dr Mike Barke, Paul Braidford, Maxine Houston, Andrew Hunt, Ian Lincoln, Clive Morphet, Professor Ian Stone and Dr Arthur Walker[1].

The whole research team contributed in a variety of ways to this project. Arthur Walker and Andrew Hunt had prime responsibility for the part of the report based on the student survey with specialised inputs from Mike Barke and Clive Morphet. Ian Stone, Maxine Houston and Ian Lincoln were responsible for the section of the report based on the employers' survey[2].

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Two surveys were conducted in the spring of 1999; a large-scale questionnaire survey of full-time undergraduates at the university of Northumbria (generating 879 responses) and a smaller survey of selected local employers.

SUMMARY OF THE MAIN FINDINGS FROM THE STUDENT SURVEY

- The student questionnaire survey revealed that 36.6% of students had term-time jobs at the time of completing the questionnaire (with 54% having worked at sometime during the academic year up to the time of the survey).
- The median weekly hours worked were 12 and the mean 14.2 (although 6% of working students were working in excess of 25 hours)
- 34% of those employed were 'sales assistants or checkout operators, 31% were in 'catering occupations' and 5% were in 'telesales'.
- The median hourly wage was £3.86 and the mean £4.33. The median weekly take-home pay was £49
- 61% of those employed were working 'to achieve a desired standard of living', 49% as an alternative to borrowing/borrowing more and 43% were working 'simply to remain at university'.
- A quarter of the students in the sample lived with their parents/guardian (local (home based)) and these students were twice as likely as other students to be employed during term-time (58% compared to 29%). The highest proportion, 65.3%, was among local (home based) female students.
- Students from the local area were on average from less-well off backgrounds than non-local students. Local (home based) students were the least likely to take out student loans.
- Students from less-well off backgrounds (as indicated by grant and fee status and self reported social class) were more likely to engage in term-time work and to work longer hours then students from better-off families.
- A significant proportion of students were unwilling to take out loans; 22.0% of the students in receipt of a means tested maintenance grant do not intent to take out a loan.
- Of the students in employment 20.2% had not taken out a loan and did not intend to do so. Of these 63.1% were living with parents/guardian, 66.1% were in receipt of a means tested maintenance grant and 29.2% acknowledged that work had an adverse impact on their studies.
- 46% of students reported they would stop work if they received an additional grant. Only 15% said they would stop working if an additional loan were made available.
- The study considers the self-reported impact of term-time work on academic performance; 43% of students felt that their term-time job had a deleterious effect on their academic performance, this proportion rose to 53.5% among students working more than the median hours.

- The study also considers the difference in performance in 1999 examinations between those employed and those not employed
- The mean percentage grade for employed students was 1.7 percentage points below that of non-working students.
- The effect was stronger for male students (2.7 percentage points lower) than female students (1.4 percentage points lower)
- The effect was most pronounced for stage two students, where working students lost on average 4.3 percentage points compared to those who were not employed.

SUMMARY OF THE MAIN FINDINGS FROM THE EMPLOYERS' SURVEY

- Employers' report very positive responses to the experience of employing undergraduates, finding student employees reliable and able.
- The most important factor in choosing to employ students is their availability to work unsocial hours and willingness to do extra hours on demand.
- Students' availability to work unsocial hours has helped meet the demand for Sunday working and extended hours, caused by the expansion of trading hours in many service sector enterprises.
- Not surprisingly, students are perceived as brighter than average, quick to learn and positive in their approach to employment, with 'few preconceptions about work'.
- Students' attributes and key skills, such as being good at communicating, are more commonly sought than any specific skills - though particular needs are sometimes met by students from certain courses.
- Universities, recognising that many students have to work in order to continue studying, have instituted 'in house' Student Employment Services to facilitate the exchange of information about vacancies and student availability. Employer awareness and use of such services is growing.
- Employers expressed concern about the peaking of attrition rates amongst students, with many leaving upon graduation and for vacations. Some employers are seeking to address this by making changes in the contractual obligations of students.
- Student employability may be enhanced by work experience, but term-time work does not provide a fast track to graduate recruitment schemes.
- There is evidence that students are displacing other workers from the local labour market and that the people displaced are amongst the most vulnerable labour market participants, with fewest options available to them.

CONTENTS

INTRODUCTION

This report examines the nature of the labour market participation of university students and its impacts. Drawing upon data from a large-scale questionnaire survey, the *Survey of Undergraduates* describes the pattern of participation amongst full time University of Northumbria at Newcastle (UNN) undergraduate students, during the second semester of the 1998/99 academic year. The report's focus is upon term time employment rather than the traditional practice of vacation work, (it also excludes sandwich courses and other course-related placements). It identifies the proportion of students involved in term-time employment, the types of jobs undertaken (levels of pay, etc.) and, perhaps more significantly, the motivations that result in the decision to seek work while studying full time. The study is particularly interested in exploring the interaction between employment and academic activity, from the perspectives of time allocation, effects upon academic attainment levels and in respect of the financial decision-making processes undertaken by students.

As the large scale survey focuses largely on the student perspective of labour market activity, a second, small scale, interview-based survey of selected local employers (*Undergraduates in the Labour Market: Survey of Employers*) was carried out. Its aim was to act in a complementary capacity and provide some information regarding the nature of demand for student labour and some of the wider effects of student participation in the local labour market. The survey found that the deregulation of opening hours across a range of service sector activities and the growth of alternative methods of delivery (e.g. call centres), has resulted in an increase in the number of part-time jobs available to students.

The findings of the two surveys have been combined to provide a fuller, more complete picture of the increasing participation of students in the labour market. This has then been placed in its wider context: the shift from grant to loan finance as the means of public support for maintenance (plus from 1998, some students having to pay fees); the gap between publicly available funds and the typical spending levels of students; and, the increasing flexibility of UK labour markets. The report also commences an exploration of the effects of student participation upon the local labour market: whether increased participation by students may represent intangible assets for employers in human capital terms, but may cause the displacement of other workers.

1.1 Structure of the report

This report is divided into three main sections. **Section 1** provides an overview of the nature and extent of term-time student employment at the University of Northumbria. The information for this section of the report is drawn from both the large scale, questionnaire (*Survey of Undergraduates)* and from the small scale, interview-based survey of local employers (*Survey of Employers).*

It provides information about the hours students work, the payments they receive for doing so, and identifies the sectors and businesses in which they work. The section also reports on how students seek employment, how employers go about recruiting students and the reasons why students engage (or do not engage) in work. It concludes by looking at propensities of particular groups of students to work, according to gender, year of study programme and domicile.

Section 2 explores some of the issues arising from the *Survey of Undergraduates*. In particular, it considers the factors including domicile, which may contribute to differential labour market participation rates and extends the examination of patterns of student participation to look at its potential consequences. The study provides evidence on how inequalities between students have an impact on labour market participation. The evidence regarding important sub-groups of the student sample (mature students, students with partners and those with dependants) is also examined. One important question, which is addressed, is the extent to which the change from grant to loan finance has impacted unevenly upon students. The section explores students' perceptions of the impact of employment on their studies and then analyses students' results in the summer 1999 examinations to investigate whether term time employment has a discernible impact upon academic attainment levels.

Section 3 reports the findings of the *Survey of Employers* and aims to provide a context for the findings of the *Survey of Undergraduates.* It explores the range and nature of the roles performed by students within companies and the terms and conditions which apply. It also deals with employers' experiences when engaging students, including their reasons for seeking to recruit students as opposed to other groups within the labour market, thus exploring the issue of potential displacement. The section goes on to examine the role of universities' in-house student employment services in facilitating the exchange of information about vacancies and students' skills and availability. It concludes with a discussion of the broader implications of students' labour market participation in terms of the students' own career.

SECTION 1

OVERVIEW AND EXTENT OF STUDENT EMPLOYMENT

1. OVERVIEW OF STUDENT EMPLOYMENT

1.1. Extent of student employment

The questionnaire survey found that of 879 students responding, 36.6% (321) had term-time jobs at the time of completing the questionnaire. If students who have had a job at some point during the academic year are included, the proportion involved in term-time employment rises to 53.8%.

On the basis that a full-time worker is employed for 37.5 hours per week, and assuming the sample is representative of UNN undergraduates, then the **UNN undergraduate community was providing 1,244 full-time equivalent workers to the local economy at the time of the survey** (February 1999). It must be noted that the contribution by the student community as a whole to the local economy is likely to be much larger than this. The figure of 1244 does not take account of employment undertaken by undergraduates of the University of Newcastle or any other local universities or colleges.

The *Survey of Employers* found that not all employers could readily supply details concerning the number of students employed; moreover, it was clear that a substantial number of FE college students are employed alongside those from universities, and a number of organisations failed to differentiate between the two categories. Among those employers able to provide details, there were businesses where the proportion of students in the total workforce was relatively high, particularly in the two call centres (15% and 20%), and in bars and restaurants, where the figure ranged from 35% to 65%. A substantial number of those firms interviewed had relatively small numbers of student employees, linked to particular circumstances discussed later.

In respect of some work places, employment was technically with the recruitment agency, rather than the company owning and operating the facility. The study found that a significant number of students are engaged in the labour market through employment agencies. The two agencies interviewed reported substantial fluctuations in demand, determined by the nature and volume of current contracts. One agency estimated that, while it currently employed 30 undergraduate students in office-related positions, the contracts situation six months previously meant that it had placed an additional 100 students.

1.2. Hours worked, sectors and pay

The variation in hours worked was large but the majority of students worked less than 16 hours a week and would be classed as part-time under the official definition. The median number of hours worked was 12 and the mean slightly higher, at 14.2 (**Figure 1**). However there were 21 students (6% of those with jobs) working 25 hours or more per week. Historically students have been regarded as possessing considerable discretion over the use of their time. The *Survey of Undergraduates* found that some student workers have only a little less disciplined activity than many

full-time workers. If the number of hours of part-time work is added to the number of hours tuition each student claimed for timetable/scheduled activity, the median value (of work plus tuition) for working students is 26 hours per week, and this is before any account is taken of students' commitment to coursework, outside of formal classes.

Table 1 (shown overleaf) contains a sectoral breakdown of Student Employment by *Standard Occupational Classifications (SOC).* The minor groupings shown in **Column 3** indicate that the greatest number of student employees were in the sector 'sales assistants and checkout operators' (34%), followed by 'catering occupations-including bar staff and waiters' (31%). The third most popular occupation was 'sales occupations not elsewhere classified' which included 4% of student workers employed in telesales.

Figure 1. Distribution of hours worked per week

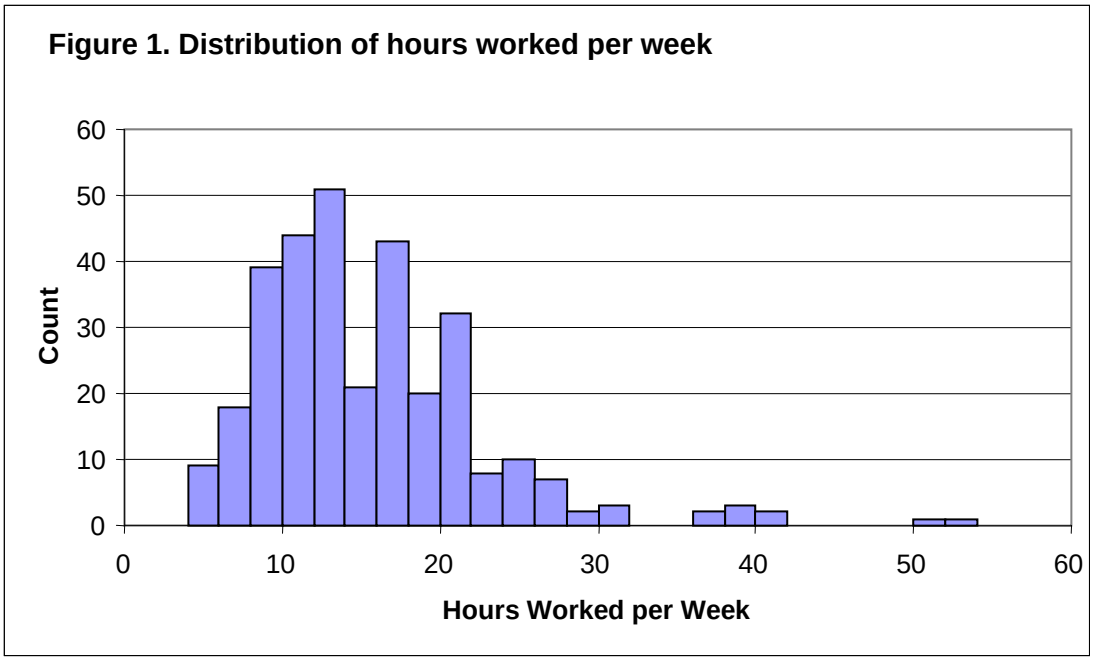


TABLE 1. SECTORS OF STUDENT EMPLOYMENT BY STANDARD OCCUPATIONAL CLASSIFICATION (SOC)

SOC Major groups	No.	SOC Minor groups	No.	%
1 Managers and administrators	3			1.0%
2 Professional occupations	3			1.0%
3 Associate technical and professional	18	30 Scientific technicians	3	1.0%
		31 Draughtspersons, quantity and other surveyors	1	0.3%
		32 Computer analyst/programmers	5	1.6%
		34 Health associate professionals	5	1.6%
		38 Literary, artistic and sports professionals	3	1.0%
		39 Associate professional and technical nec	1	0.3%
4 Clerical and secretarial	25	41 Numerical clerks and cashiers	7	2.2%
		43 Clerks (not otherwise specified)	3	1.0%
		45 Secretaries, PAs, typists, WP operators	9	2.9%
		46 Receptionist, telephonists and related	5	1.6%
		49 Computer, data processing, other office machine operators	1	0.3%
5 Craft and related	4			1.3%
6 Personal and protective service	133	60 NCOs and other ranks, armed forces (ie TA)	4	1.3%
		61 Security and protective services	4	1.3%
		62 Catering occupations	98	31.3%
		64 Health and related	13	4.1%
		65 Childcare and related	2	0.6%
		66 Hairdressers and related	1	0.3%
		67 Domestic staff and related	2	0.6%
		69 Personal/protective service nec (Wardens, life guards, leisure instructors, etc.)	9	2.9%
7 Sales	122	71 Sales representatives	1	0.3%
		72 Sales assistants and checkout operators	105	33.9%
		73 Mobile, Market and door-to-door sales persons and agents	1	0.3%
		79 Sales occupations nec (all telesales)	15	4.5%
8 Plant machine operatives	2			0.6%
9 Other	3			1.0%
Total classifiable	313			100%

Breakdown of selected SOC minor groups to occupational unit groups

Table 1A. **CATERING OCCUPATIONS**

Breakdown of SOC group 62	No.	%
620 Chefs, cooks	*9*	*9.1%*
621 Waiters, waitresses	*26*	*26.5%*
622 Bar staff	*63*	*64.3%*
Total	*98*	*100%*

Table 1B. **HEALTH AND RELATED**

Breakdown of SOC group 64	No.	%
640 Assistant nurses, nursing auxiliaries	*1*	*7.7%*
644 Care assistants and attendants	*12*	*92.3%*
Total	*13*	*100%*

Table 1C. **SALES ASSISTANTS AND CHECKOUT OPERATIVES**

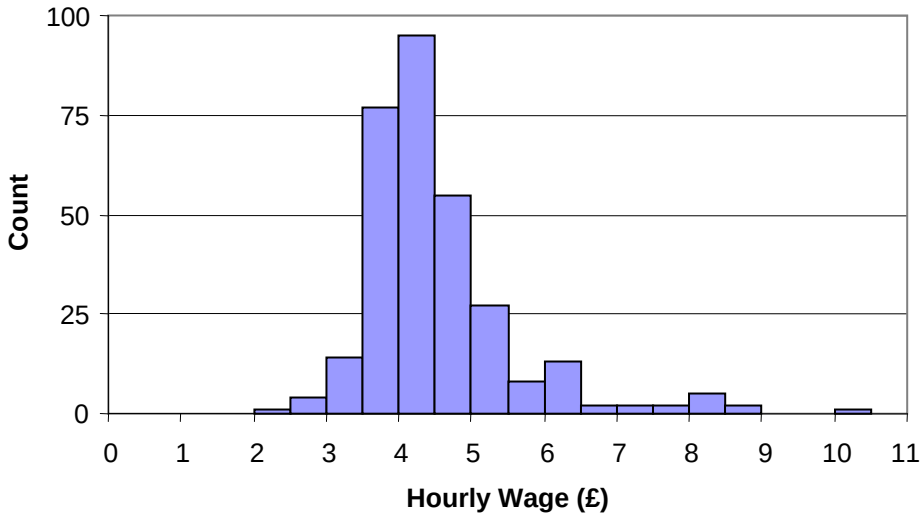
Breakdown of SOC group 72	No.	%
720 Sales assistants	*93*	*88.6%*
721 Retail cash desk and check-out operators	*12*	*11.4%*
Total	*105*	*100%*

Hourly wages ranged from £1.70 to £10 (**Figure 2**). The majority of the data was collected just before the introduction of the minimum wage (i.e. prior to 1st April 1999), although relatively few students earned below the national minimum wage (NMW) (£3.00 per hour for workers between the ages of 18 and 20, £3.60 for those aged 21 and over), suggesting that the introduction of the NMW is unlikely to have a large effect on the numbers of students in employment. In total, just six students aged

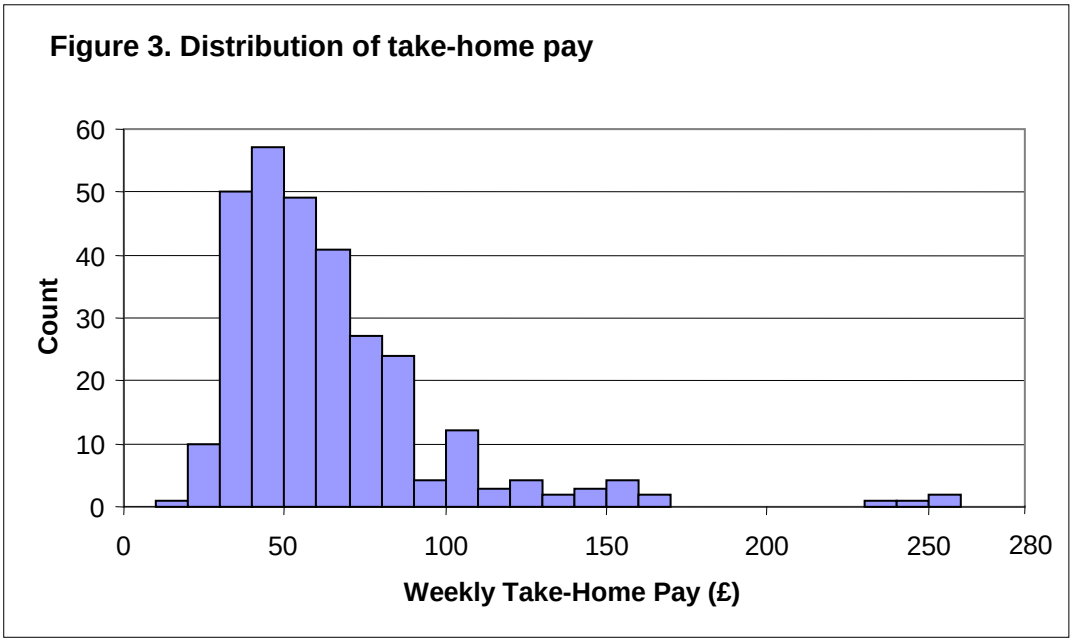
21 or under were found to earn less than £3.00 per hour, while 19 students above that age earn less than £3.60. However, the proposal to raise the youth NMW to £3.20 in June 2000 would mean an increase in these figures should employers fail to respond: 23 respondents were found to currently earn less than this figure. The median and mean wages in the sample (£3.86 and £4.33 respectively) were both well above the NMW for youths, and the full NMW (£3.60 per hour). The low paid students were almost entirely within the bar staff, waiting and sales assistants' categories: eleven of the 63 bar staff earned below the minimum wage (although ten of these students fell into the 21 or over age group); eight of the 92 sales assistants and six of the 26 waiters/waitresses earned below the NMW.

Turning to **weekly income** (self-reported take-home pay, *Survey of Undergraduates*) the median take-home pay was £49, with the range from £9 to £250 (distribution shown in **Figure 3**). In addition, some 61 respondents (19.1%) had their wage supplemented by tips, bonuses or commission, with the median payment at £7 per week (a standard deviation of £20.78, mean of £12.99 and a range of £1 to £150). Most students who received such additional payments were engaged in bar work

Figure 2. Distribution of hourly wages



(n=27), 15 were waiters/waitresses, six worked in telesales and four were sales assistants.



The *Employers' Survey* provides some evidence of variation in the contracts on which students are employed. In the limited number of organisations interviewed, it was common for students to be taken on as permanent part-time employees and to be granted full employment rights, firms where employment rights were found to be more limited (e.g. no entitlement to holiday and sickness allowances) were the exception rather than the norm. Equality with non-student workers in relation to pay and conditions was the standard practice in organisations where those other workers were largely part-timers. Some differences occur, however, where students are working alongside mainly full-time employees. The number of hours worked differs between employers, but the typical range was found to be between 7.5 and 20 hours per week, with one or two outliers. This is consistent with findings from the *Survey of Undergraduates* (Figure 1), where the median number of hours per week was found to be 12 and the mean 14. In all cases, interviewees reported that student employees were paid the same rate for the job as equivalent non-student workers.

1.3. Methods of job seeking

Methods of job seeking were quite varied, with students finding work from a number of sources. The most popular methods were 'informal', predominantly through contacts already in employment at the respective organisation (see **Table 2**). This may be due to the casual, low-skilled and/or part-time nature of many of the jobs (bar work etc.), for which employers are unlikely to need to advertise. This reasoning seems to be confirmed by the lower number of responses indicating the job was obtained through more formal methods (63 students, approximately 20% of those in work, used a newspaper advertisement, Job Centre or recruitment agency).

Employers can reach potential student employees via Student Employment Services (Tempo at UNN, Job Shop at University of Newcastle), and notice boards in Students' Unions or Faculties. There seems to be some evidence that the use of the UNN's Student Employment Services is increasing. At the beginning of the 1998 academic year they received 626 student registrations (20.9.98 and 18.11.98); during the same period in 1999 (20.9.99 and 18.11.99) they received 1033 registrations, an increase of 65.7%. Student usage of the service was not isolated in the *Survey of Undergraduates.* However, as notices of vacancies are placed on open display, with students free to act upon the information, it seems likely that this method of job search is included in the *'Approached employer directly'* and/or *'Noticeboard around university'* categories.

TABLE 2. METHOD USED TO FIND CURRENT JOB

Method of job search	Number	Percentage
Friends/contacts already there	130	41.3
Approached employer directly	80	25.4
Newspaper advertisement	35	11.1
Advert in place of work	29	9.2
Job centre	20	6.3
Noticeboard around university	13	4.1
Recruitment agency	8	2.5

1.4. Methods of recruitment by employers

Most employers are able to meet their needs for student employees as the result of informal procedures such as direct, speculative approaches and word-of-mouth recommendations from friends or family members. This finding very much accords with the methods of job-seeking reported in the *Undergraduate Student Survey* (see **Table 2** above). Such informal approaches usually exceed requirements, though this may vary by area. The Human Resources manager of the local branch of a supermarket chain was aware that other branches use recruitment fairs but found this was not necessary locally as the store receives approximately 20 speculative letters from students seeking employment each week. The other supermarket, based in the student residential area, is able to meet its needs by advertising in the store itself. This practice ensures a high rate of applications from students living locally, with 60% of all applications coming from this source.

Despite the prevalent use of informal methods, there was a relatively high degree of awareness (60% of surveyed employers) of the universities' Student Employment Services, especially given the short period they have been in existence at the two city centre campuses. The services themselves differ significantly from recruitment agencies in that they have a policy of *not* screening applicants (through interviews or other means) and of *not* advertising vacancies for jobs entailing more than 15 hours per week (on the grounds that this might interfere with studies). Also they will not accept jobs offering less than £3.20 per hour. Some 30% of employers surveyed had taken stands at recruitment fairs, such as freshers' weeks, where. One call centre had

obtained 150 applications through attendance at a freshers' fair at the beginning of the 1998-99 academic year.

Others (one call centre and the head office of a multinational firm) largely rely on agencies to recruit students on their behalf. For one of the employment agencies, the initiative demonstrated by students who come to register with the service was seen as part of the selection process, an indication of the motivation and commitment which employees have to possess. Certain businesses, including the head office of a financial institution and a manufacturing SME, fail to attract speculative applications and therefore are forced to be more proactive in the search for student employees. Around 30% of employers used local JobCentres to elicit student applications but consider this to be a poor option. This is in addition to direct approaches to academic staff and students, where there are very specific skill requirements that may be met by students on particular courses.

1.5. Motivations for working during term-time

The most commonly cited reason for working was that students wanted 'to achieve a desired standard of living' (195 students, or 60.7% of working students), closely followed by 'as an alternative to borrowing/borrowing more' (**Table 3**). Some 139 respondents (43.3%) indicated that they needed their jobs 'simply to remain at university'. Of this latter group of students, 60% were working above median hours, and 80% were in receipt of a grant (as compared to 65.5% of the entire sample). Several students indicated that they were working to gain a degree of financial independence from parents or partners.

TABLE 3. REASONS FOR DECIDING TO FIND A TERM-TIME JOB

Reason for working (multiple responses allowed)	Number	Percentage
To achieve a desired standard of living	195	61
As an alternative to borrowing/ borrowing more	158	49
Simply to remain at university	139	43
To fill in spare time	31	10
The job is related to what I want to do after university	30	9

Interestingly, of all the reported reasons for choosing to work, relatively few indicated that it was because their 'current job was related to a future career'. Most of the 9% of respondent students for whom there was a link with future career objectives were found to be working in 'associate technical and professional occupations' and 'clerical and secretarial occupations' (SOC major groups 3 & 4) but they still only accounted for around 25% of the students in the sample employed in these two sectors.

1.6. Motivations for not working

Of the 557 students who were *not working* at the time of the survey, 152 (27.3%) had been in employment during the academic year, but had subsequently quit or come to the end of their contract. Some 186 of the non-working respondents (33.4%)

anticipated getting a term-time job before the end of the academic year, and 137 (26%) of these were currently actively seeking a term-time job. From the total of current non-workers, 434 (78%) intended to get a job in at least one of the vacation periods. This indicates that only 14% of our sample were not anticipating engaging in paid employment at some point during the year.

Table 4 (overleaf) shows the reasons given by students for **not** currently having a term-time job. The most popular reason given was 'I feel that working would reduce my grades', from 60% of respondents. Only 25% of non-workers (14% of the entire sample) felt that they had enough money from their grant and loan to enable them not to work. However, only 2.3% of the entire sample chose this option and were not supplementing their income with past savings and/or a parental contribution. There is evidence that some students are unwilling to take certain jobs, as from the cohort of students currently actively searching for a job only 19% (n=26) of students were unable to find *any* job, whilst 69% (95) indicated they had been unable to find a *suitable* job. This is clearly an area warranting further study. Some 55 students (9.9%) also indicated, within the 'other' category, that they did not have sufficient time to fit employment in around university work.

TABLE 4. REASONS FOR NOT HAVING A TERM-TIME JOB

Reason for not working (multiple responses allowed)	Number	%
Feel that work would reduce grades	335	60
Able to supplement income with parental contributions	250	45
Able to supplement income from past savings	189	34
Unable to find suitable job	156	28
Enough money from grant/loan	136	25
Unable to find any job	36	6

Other reasons given included:

Unable to find a job that fits around childcare

Trying to enjoy university life - pay for it later

Took year out of studies to supplement income by saving wages

Too lazy, less time drinking

There's too much stress even without working during term-time

The work that is around for students pays piss poor wages

Sport clubs take up my spare time

Parents are against the idea of working whilst studying

Examining the self-reported reasons for leaving a job at some point during this academic year (from students who were *not* currently working), 55 (35.4%) indicated that their job had interfered with their academic performance, and a further 36 (23.2%) said that they had some kind of ongoing job during only the holiday periods and at least 12 had come to the end of their agreed contracts.

Other reasons for quitting included:

Because I didn't like the kind of job

I didn't like the treatment of staff by senior staff and management

It involved using a car but mine broke down and I am unable to fix it

Quit because work was too late at night

Too boring

Unsuitable hours

Very demanding - flexible payment (on commission)

1.7. Employment propensities by gender, year and domicile

There were no significant differences between the employment propensities of males and females. **Tables**[3] **5** and **6** indicate that although females were proportionately more likely to have a term-time job than males (38% and 34% working respectively), they were less likely to work above the median of 12 hours. However, the p-value of the χ^2 test (p=0.157) indicates that the difference in working propensity was not sufficient for a statistical difference to be assumed i.e. there was no statistical evidence to reject the hypothesis that male and female propensities to work are the same. A similar result occurs (p=0.098) when the test is repeated comparing hours worked by men and women who are in employment (**Table 6**). As there is no strong statistical evidence that the two groups are different in terms of the work decision, the genders are aggregated in some of the analysis that follows. However, the data is disaggregated by gender in those sections dealing with issues where male/female differences are thought to be important.

TABLE 5. NUMBER OF STUDENTS WITH A TERM-TIME JOB, BY GENDER

	Working	Not working	Total
Female	202	324	526
	38.4%	*61.6%*	*100.0%*
Male	119	234	353
	33.7	*66.3*	*100.0*
Total	**321**	**558**	**879**
	36.5%	***63.5%***	***100.0%***

p=0.157

3 The *p*= values below tables are used for deciding whether to reject the null hypothesis that there are no population differences between the groupings, meaning that any observed differences are due entirely to chance. The values indicate asymptotic probabilities (generated from Chi-Squared tests) of committing a type I error or rejecting the null hypothesis when in fact it is true. For most tables, if the *p* value is greater than *0.05* (i.e. 5% chance of committing a type I error) any observed difference between categories are not taken as large enough for a statistical difference to be assumed. However, for some tables the lack of *statistical* difference *may* be due to a small number of observations rather than the groupings having the same characteristics. Some tables comparing what appear to be that same groups of students may have different totals due to a small number of respondents not answering all questions.

TABLE 6. HOURS WORKED PER WEEK BY GENDER

	< 12 hours per week	> 12 hours per week	Total
Female	108	90	198
	54.5%	*45.5%*	*100.0%*
Male	53	65	118
	44.9%	*55.1%*	*100.0%*
Total	**161**	**155**	**316**
	50.9%	***49.1%***	***100.0%***

p=0.098

Table 7 looks at propensity to work by year of study and shows that fourth year students are least likely to be working, with only 25% in employment. As many fourth year students have undertaken a paid placement during their third year and this may have provided them with funds upon which they can draw. Overall first year students also showed a lower than average propensity to work(35%), although this was not to the same degree as fourth year students and seems to be mainly attributable to two factors:

1. the potential availability of other resources (First Year students were less likely to indicate *'I am working simply to remain at university'*).

2. limitations upon time available for job search and knowledge of the local labour market. First year non-workers were more likely than other years to indicate that they were *'unable to find any job'* or that they had been *'unable to find a suitable job'* than students from other year groups.

Also, by contrast, first year students from the local area had much higher levels of participation in the labour market than first year students from outside the locality (**Table 8**). There are a number of possible explanations for this, which will be discussed in greater detail later.

TABLE 7. NUMBER OF STUDENTS WITH A TERM-TIME JOB BY YEAR OF STUDY

	Working	**Not working**	**Total**
Year 1	112	210	322
	34.8%	*65.2%*	*100.0%*
Year 2	109	154	263
	41.4%	*58.6%*	*100.0%*
Year 3	69	102	171
	40.4%	*59.6%*	*100.0%*
Year 4	31	92	123
	25.2%	*74.8%*	*100.0%*
Total	**321**	**558**	**879**
	36.5%	***63.5%***	***100.0%***

TABLE 8. NUMBER OF STUDENTS WORKING BY AREA OF ORIGIN

		Working	**Not working**	**Total**
All local students	1st Year	81	68	149
		54.4%	*45.6%*	*100.0%*
	2nd Year	67	49	116
		57.8%	*42.2%*	*100.0%*
Total		**148**	**117**	**265**
Non-local students	1st Year	31	141	172
		18.0%	*82.0%*	*100.0%*
	2nd Year	42	105	147
		28.6%	*71.4%*	*100.0%*
Total		**73**	**246**	**319**
		22.9%	***77.1%***	***100.0%***

All local students p=0.581
All non-local students p=0.025

SECTION 2

ISSUES ARISING FROM THE SURVEY OF UNDERGRADUATES

2.1. THE IMPORTANCE OF DOMICILE

One of the striking features of the study is that there are large differences in participation in the workforce according to domicile. A more complete description of these differences is set out in a working paper[4], the main points are summarised below.

Students living with their parents whilst studying have been traditionally perceived by government as having lower living costs. This is reflected in a lower grant entitlement and lower maximum student loan available (the difference was £410 a year in 1999 for a student living outside London).

Within the study students are classified into three groups;

Local (home based)	living with parents/guardian during term-time
Local (not home based)	all those from the region not living with their parents/guardian
Non-Local	all those from outside the region

Within the sample, 25.7% of students are local (home based) (n=226)[5]. These students were twice as likely to engage in paid work during term-time when compared with *all other* students (58.0% and 29.0% in employment respectively; see **Table 9**). The workforce participation of local (not home based) students is much closer (46.2%) to that of the local (home based) students than to that of non-local students (23.0%).

TABLE 9. NUMBER OF STUDENTS WITH A TERM-TIME JOB, BY DOMICILE

	Working	Not Working	Total
Local (home based)	131	95	226
	58.0%	*42.0%*	*100.0%*
Local (not home based)	78	91	169
	46.2%	*53.8%*	*100.0%*
Non-local	111	371	482
	23.0%	*77.0%*	*100.0%*
Total	**320**	**557**	**877**
	36.5%	***63.5%***	***100.0%***

p=0.000

A much higher proportion of the local students (not home based) were mature and/or married and/or had dependants (see **Table 10**). For this group studying away from their local region may not be an option.

[4] Participation in the Labour Market: The Importance of Domicile.
[5] The proportion of students living at home aged under 26 was slightly higher at 28%.

TABLE 10. CHARACTERISTICS OF STUDENTS BY DOMICILE

	Local (home based)	Local (not home based)	Non-local	Total
26 or over	13	74	29	116
	5.7%	*43.8%*	*6.0%*	*13.2%*
Married or living with partner	3	51	32	86
	1.3%	*30.2%*	*6.6%*	*9.8%*
Had dependants	5	43	11	59
	2.2%	*25.4%*	*2.3%*	*6.7%*
Married/living with partner & had dependants	2	25	5	32
	0.9%	*14.8%*	*1.0%*	*3.6%*
Under 26, single with no dependants	209	81	430	720
	92.5%	*47.9%*	*89.2%*	*82.1%*
Total in group	**226**	**169**	**482**	**877**

Percentages relate to total number in the group. They do not sum to 100% as the rows are not mutually exclusive.

As indicated in section 1 of the report, the overall proportion of female students in term-time employment is similar to that for males. However, when account is taken of domicile, a rather different picture emerges, with workforce participation much higher (65.3%) for local (home based) female students then for local (home based) male students (45.1%). Participation of local (not home based) was similar for both genders, although female participation was slightly higher (47.7% compared to 43.5%). In the case of non-local students participation was higher (but not significantly higher) for male than for female students, 26.1% compared to 20.7% (**Table 11**).

TABLE 11. GENDER CHARACTERISTICS BY EMPLOYMENT STATUS AND DOMICILE

		Working	Not working	Total
Local (home based)	Female	94	50	144
		65.3%	*34.7%*	*100.0%*
	Male	37	45	82
		45.1%	*54.9%*	*100.0%*
	Total	131	95	226
		58.0%	*42.0%*	*100.0%*
Local (not home based)	Female	51	56	107
		47.7%	*52.3%*	*100.0%*
	Male	27	35	62
		43.5%	*56.5%*	*100.0%*
	Total	78	91	169
		46.2%	*53.8%*	*100.0%*
Non-Local	Female	57	218	275
		20.7%	*79.3%*	*100.0%*
	Male	54	153	207
		26.1%	*73.9%*	*100.0%*
	Total	111	371	482
		23.0%	*77.0%*	*100.0%*
Overall total		320	557	877
		36.5%	*63.5%*	

p values; local (home based) =0.003; local (not home based) =0.605; non-local =0.167

There are three, possibly interrelated, reasons for the higher participation of local (home based) students. First, these students were relatively poorer (see below on grant status) and perhaps more likely to need to work. Second, they may have continued a job they had prior to commencing studies at UNN or at least have superior knowledge of the local labour market (some 52.7% (n=29) of first year local (home based) with a job and 50.0% (n=13) of local (not home based) students stated they had had the job for more than one year indicating they started their job prior to commencing studies at UNN). Third, their parents/guardian or partners may take on tasks (preparing meals, housework, laundry, etc.) which allows them more time to undertake work should they wish to do so. Looking at hours worked (**Table 12**) local (not home based) students were significantly more likely to be working below the median of 12 hours per week (p=0.03). However there was no statistically significant difference between the hours worked of local (home based) and either local (not home based) or non-local students.

TABLE 12. HOURS WORKED PER WEEK BY STUDENTS WITH A TERM-TIME JOB, BY DOMICILE

	Working < 12 hours per week	Working > 12 hours per week	Total
Local (home based)	65	64	129
	50.4%	*49.6%*	*100.0%*
Local (not home based)	32	44	76
	42.1%	*57.9%*	*100.0%*
Non-local	64	46	110
	58.2%	*41.8%*	*100.0%*
Total	**161**	**154**	**315**
	51.1%	***48.9%***	***100.0%***

p=0.096

As indicated above the average student from the local area was more likely to have been from a less well-off background than a non-local student as they were significantly more likely have been in receipt of a grant; 73.9% and 78.0% for local (home based) and local (not home based) respectively as compared to 57.3% for the non-local students (**Table 13**).

TABLE 13. NUMBER OF STUDENTS RECEIVING A GRANT, BY DOMICILE

	Receiving grant	Not receiving grant	Total
Local (home based)	167	59	226
	73.9%	*26.1%*	*100.0%*
Local (not home based)	131	37	168
	78.0%	*22.0%*	*100.0%*
Non-local	276	206	482
	57.3%	*42.7%*	*100.0%*
Total	**574**	**302**	**876**
	65.5%	***34.5%***	***100.0%***

p=0.000

An examination of the take-up of student loans revealed that local (home based) students were significantly less likely to have taken out a student loan than the other two domicile groups (see **Table 14**). This lower take-up rate may be explained by two factors. First the students' decision to remain at the parental home whilst studying has provided them with an acceptable standard of living, and/or second this group of students has a larger than average tendency for debt aversion (see Section 4 for an examination of debt aversion). An examination of motivations for working revealed the difference was that, local (home based) students were much more likely to have cited, as a reason for working, 'to achieve a desired standard of living' (76%) than the other two groupings (local (not home based), 58%, non local 54%). Non-

local students were more likely to have cited 'to fill-in spare time' as a motivation for working but the numbers from all groups citing this reason were small (**Table 15**).

TABLE 14. NUMBER OF STUDENTS TAKING OUT A LOAN, BY DOMICILE

	Taken out a loan	Not taken out a loan	Total
Local (home based)	119	107	226
	52.7%	*47.3%*	*100.0%*
Local (not home based)	128	41	169
	75.7%	*24.3%*	*100.0%*
Non-local	331	151	482
	68.7%	*31.3%*	*100.0%*
Total	**578**	**299**	**877**
	65.9%	***34.1%***	***100.0%***

p=0.000

TABLE 15. MOTIVATIONS FOR WORK, BY DOMICILE

	Local (home based)	Local (not home based)	Non-local	Total
Simply to enable me to remain at university	52	37	49	138
	40.6%	*55.2%*	*45.4%*	*45.5%*
To achieve a desired standard of living	97	39	58	194
	75.8%	*58.2%*	*53.7%*	*64.0%*
To fill-in spare time	10	4	17	31
	7.8%	*6.0%*	*15.7%*	*10.2%*
The job is related to what I want to do after university	8	8	14	30
	6.3%	*11.9%*	*13.0%*	*9.9%*
As an alternative to borrowing/borrowing more	66	38	53	157
	51.6%	*56.7%*	*49.1%*	*51.8%*
Total in group	**128**	**67**	**108**	**303**

Percentages relate to total number in the group. They do not sum to 100% as the rows are not mutually exclusive.

2.2. INEQUALITIES BETWEEN STUDENTS

Not surprisingly, the study reveals that there are marked differences in the financial position of students at university. Students from less well-off backgrounds are shown to acquire more debts, be more likely to undertake paid work during their studies and to perceive that this work adversely affects their studies. Limited financial means may also constrain their choice of where to study, in the attempt to minimise costs and subsequent levels of debt.

As indicated in Section 2.1, the differences in experiences between students of different income backgrounds who were local (home based) appear to be smaller than the differences between students of different income backgrounds who were not local (home based). It may be that choosing to live at home while studying is seen as an effective strategy for less well-off students under the prevailing funding arrangements. However, one of the original intentions of public support for maintenance was to weaken such restrictions on choice for children of the less well-off.

In the study, there are three indicators of a student's family income: grant status for all students, fee status for first year students and self-reported social class. A student's grant status allows identification of approximately the top third (those receiving no grant) and bottom two-thirds of students by financial background. A student's fee paying status allows the first year student body to be split into the top two-thirds (those paying fees) and bottom one-third by family income.

Maintenance Grants

Some 65.4% of the sample were students in receipt of a *maintenance grant* (and therefore of lesser family means), these students were more likely to engage in some form of part-time work (**Table 16**), and work longer hours (**Table 17**) than those not in receipt of grant. Looking at non-working students in relation to grant status, there is some evidence that this difference in employment propensity may be due to the availability of parental support. Some 37.9% of those receiving grants and *not* working (equivalent to 23.1% of all students with a grant) chose as one of their reasons 'I am able to supplement my income with parental contributions'. This compares with 56.1% of those without a maintenance grant (or 44% of all students without a grant). These results suggest that parental contributions have an important influence on the decision to work; An absence of parental financial support increasing the likelihood the student will undertake work.

TABLE 16. NUMBER OF STUDENTS WORKING PER WEEK BY UK STUDENTS, BY FUNDING STATUS

	Working	Not working	Total
Receiving grant	228	334	562
	40.6%	*59.4%*	*100.0%*
Not receiving grant	84	186	270
	31.1%	*68.9%*	*100.0%*
Total	**321**	**520**	**832**
	38.6%	***62.5%***	***100.0%***

p=0.008

TABLE 17. HOURS WORKED PER WEEK BY UK STUDENTS, BY FUNDING STATUS

	Working < median hours	Working > median hours	Total
Receiving grant	104	122	226
	46.0%	*54.0%*	*100.0%*
Not receiving grant	54	28	82
	65.9%	*34.1%*	*100.0%*
Total	**158**	**150**	**308**
	51.3%	***48.7%***	***100.0%***

p=0.002

Student Loan Take-up

Student loans are made available to students at a zero real interest rate. For the 1998/99 academic year, current second year students, together with those whose third year is not their final year, are entitled to a loan of up to £1,735 if they live away from home, and £1,325 if they are living at their parents' home. For final year students the figures are £1,265 and £970 respectively. This loan is intended to cover around half of a student's maintenance support (Student Loans Company Ltd data). The loan levels for 1998 entrants were all £1,000 higher and are intended to cover around three-quarters of a student's maintenance support requirement (Student Loans Company Ltd data). For new entrants an additional hardship loan of between £100 and £250 is available in circumstances of 'serious financial difficulty'.

There was no aggregate relationship between the take-up of student loans and the decision to take part-time work. However, as with the decision to work, it seems that parental contributions appear to have an influence on the student's decision to take out a student loan. Of non-workers, some 57.1% of those who had *not* taken out a loan this academic year indicated (as a reason for not working) that 'I am able to supplement my income with parental contributions,' compared to just 38.1% (120 cases) of non-working students (who had taken out a loan this academic year). Therefore, students whose parents are either unable or unwilling to contribute towards

their living expenses may have to both take out a loan *and* obtain employment in order to continue at university.

An examination of the relationship between grant status and the take-up of student loans (**Table 18**) reveals that 71% of students receiving grants have taken out a student loan this academic year, compared to 56% of those not in receipt of a grant. This further reinforces the conclusion that students from less well-off backgrounds are likely to leave university with higher debt levels than those from relatively well-off backgrounds, in addition to again highlighting the importance of parental contributions.

TABLE 18. NUMBER OF STUDENT WITH LOANS, BY FUNDING STATUS

	Taken out a loan this year	Not taken out a loan this year	Total
Receiving grant	407	167	574
	70.9%	*29.1%*	*100.0%*
Not receiving grant	171	133	304
	56.3%	*43.8%*	*100.0%*
Total	**578**	**300**	**878**
	65.8%	***34.2%***	***100.0%***

p=0.000

Of the 217 workers who had taken out a student loan, only 15 had not taken out the full amount available. There was, as indicated in Section 4, a significant number, (69 or 21%), of working students who appear to be averse to borrowing; such students were working but had not taken out a loan this year and were not anticipating doing so.

Tuition Fees

The introduction of student fees currently only affects first year students. **Table 19** indicates that the average fee paying student (from the better-off two-thirds of the student community) is less likely to work. However, the *p* value of 0.093 shows that while this result is significant, it is not highly significant, (although this low value may be due to low numbers rather than the absence of a strong relationship). The introduction of tuition fee payment appears to have had an impact on student loan uptake. Students in receipt of a grant showed relatively higher propensities to take out student loans than students not in receipt of grants. This would suggest a similar difference should be observed between non-fee paying and fee paying students, i.e. that relatively well-off students who pay their own fees should be less likely to take out a loan *if* fees are not having an important effect on student finances. However, this is not the case, with both groups demonstrating a broadly equal propensity for loan uptake (see **Table 20**).

TABLE 19. INCIDENCE OF TERM TIME WORKING BY UK STUDENTS AND PAYMENT OF FEES

	Working	Not Working	Total
Fee paying	53	116	169
	31.4%	*68.6%*	*100.0%*
Non fee paying	56	82	138
	40.6%	*59.4%*	*100.0%*
Total	**109**	**198**	**307**
	35.5%	***64.5%***	***100.0%***

p=0.093

TABLE 20. LOAN UPTAKE AND FEE STATUS, UK STUDENTS.

	Taken out a loan	Not taken out a loan	Total
Fee paying	119	50	169
	70.4%	*29.6%*	*100.0%*
Non fee paying	97	41	138
	70.3%	*29.7%*	*100.0%*
Total	**216**	**91**	**307**
	70.4%	***29.6%***	***100.0%***

p=0.981

Social Class

If the social class of parent or guardian[6] is considered (**Table 21**), the data reveals a steady gradient, with only 17.2% of children of professionals working, whilst 50.5% of children of skilled manual workers were in term-time employment. The number of children from an unskilled family background is small: 7 of the 9 (77.8%) are in employment

TABLE 21. NUMBER OF STUDENTS WORKING, BY SOCIAL CLASS

Social Class	Not Working	Working	Total
Professional	82	17	99
	82.8%	*17.2%*	*100.0%*
Intermediate	201	96	297
	67.7%	*32.3%*	*100.0%*
Skilled Non-manual	45	31	76
	59.2%	*40.8%*	*100.0%*
Skilled manual	51	52	103
	49.5%	*50.5%*	*100.0%*
Partly Skilled	22	14	36
	61.1%	*38.9%*	*100.0%*
Unskilled	2	7	9
	22.2%	*77.8%*	*100.0%*
Total	**403**	**217**	**620**
	65.0%	*35.0%*	*100.0%*

[6] Derived from self-reported parental/partner occupations.

The importance of parental contributions and savings

In order to check the representativeness of the overall sample a small questionnaire (reproduced in appendix 1B) was sent to 500 of the students who did not respond to the original questionnaire. As well as checking the representativeness of the sample two questions were added to shed further light on the link between parental contributions, savings and the decision to. There were 251 returns which for the information base form this sub-section[7].

Considering only students for whom the idea of a parental contribution is meaningful (non-mature, single students without dependants) the distribution of parental contributions and saving was as follows;

TABLE 22. PARENTAL CONTRIBUTIONS AND SAVINGS

Percentages are all as a proportion of the total of 251 students	Parental contribution		No parental contribution		Total	
Savings	91	*36.2%*	36	*14.3%*	127	*50.6%*
No savings	69	*27.5%*	55	*21.9%*	124	*49.4%*
Total	159	*63.3%*	91	*36.3%*	251	*100.0%*

Not unexpectedly, the existence of a parental contribution was related to the student's family **financial background** with students from better-off backgrounds being more likely to have received some financial help from their parents. Using a student's grant status as a proxy for financial status, 60.9% (78/128) of students in receipt of a grant received a parental contribution compared to 88.4% (76/86) of students not in receipt of a grant which is a highly significant difference (p=0.00).

Unlike parental contributions, the existence (but perhaps not the level) of student savings was not related to a families **financial background**. Of those not in receipt of a grant (students from better-off backgrounds) 58.1% (50/86) had drawn on past savings which is not significantly different from the 48.0% (61/127) for those in receipt of a grant (p=0.15). Although it is conceivable that this result is dependent upon low numbers.

Parental contributions and savings and the work decision

As expected, **working students** were less likely to have received a parental contribution during the academic year[8]. Of those not in employment 81.1% (103/127) had received some kind of monetary contribution from their parents or guardian which was significantly higher than the comparable figure of 58.6% (51/87) for students in employment (p=0.000).

The data suggests that **working students** are less likely to be drawing on savings. Of those who were employed during February or March, 43.0% (37/86) had made use of

[7] A question was used to filter all students who were 26 or more years old, living with a partner or had dependants.
[8] In order to maintain consistency with the rest of the report we have used employment data from the question 'Last academic year, did you engage in any form of paid employment during *February* or *March*?' rather than 'Last academic year, did you engage in any form of paid employment during term-time?'.

past savings which is significantly lower than the proportion of students not in employment which was 58.3% (74/127) (p=0.03).

Parental contributions and savings and the domicile decision

There was a significant relationship between the existence of a parental contribution and personal savings and place of residence. Students living away from the parental home were significantly more likely to have both of these funding sources. Conversely students living with their parents/guardian were significantly more likely to be in receipt of neither source of funding. There were no differences between the number of students in receipt of just one funding source by domicile.

TABLE 23. SAVING AND PARENTAL CONTRIBUTIONS BY DOMICILE

	both		None		Only savings		Only parental contribution	
All students away from home n=148	73	*49%*	16	*11%*	15	*10%*	44	*30%*
All students living at home n=64	14	*22%*	20	*31%*	9	*14%*	21	*33%*
Total n=212	87	*41%*	36	*17%*	24	*11%*	65	*31%*
p=	0.00		0.00		0.41		0.65	

Mature students

For the purposes of this report, a mature student is defined as aged 26 or older. From a total of 115 mature students, 42 (36.5%) were working. These students were statistically more likely to be in receipt of a grant (84% as compared to 63% for the rest of the sample (but in most cases this will reflect their own financial status and not that of their parents/guardian). Despite a greater proportion of mature students being judged less well-off they were not found to have a higher propensity to work[9]. Interestingly, those mature students who were employed were likely to be working above median hours per week (**Table 24**) and to indicate that they are working 'simply to remain at university' (55% compared to 42% in the rest of the sample). This suggests that some mature students may be facing considerable financial hardship.

TABLE 24. HOURS WORKED PER WEEK, BY MATURE STUDENT STATUS

	Works below median hours	Works above median hours	Total
Mature	14	28	42
	33.3%	*66.7%*	*100.0%*
Not mature	147	127	274
	53.6%	*46.4%*	*100.0%*
Total	**161**	**155**	**316**
	50.9%	***49.1%***	***100.0%***

p=0.014

[9] Within this section, mature students are analysed as a group. If mature students who were married and/or have dependants were removed there were only 25 remaining students, thus preventing meaningful statistical analysis.

Students with partners and students with dependants

Of the sample, 9.8% of respondent students were either married or living with a partner and 6.7% of the sample had dependants. There were no significant differences between the propensities to work of these two separate (but overlapping) groups and the rest of the student sample (**Tables 25** and **26**). However, aggregate analysis would seem to be unwise as there appear to be two distinct groups within these cohorts: those who have partners/families who were able and willing to support them and those (including single parents) who have no alternative but to work in order to contribute towards household income. Several single students with dependants indicated that they would like to work part-time but were prevented from doing so since childcare costs were greater than potential earnings. Typical comments included:

> *I am lucky enough to have a husband who works and a good job part-time. I would like not to work, but have to.*
>
> *If the imposition of fees had been in place and the grant removed, I would not have been able to have undertaken a full-time degree.*
>
> *Students do not have access to enough money, I have a flat and all my money goes on bills. I rarely go out and it can be very stressful. [This student's partner was working.]*
>
> *If my wife was not working I would not be able to continue my studies. One thing that would help a great deal is a grant for childminding fees.*
>
> *I am able to supplement my income from my spouse's income.*
>
> *My husband supports me financially. With a full-time degree and five children to care for, I have no spare time*

TABLE 25. HOURS WORKED PER WEEK, BY MARITAL STATUS

	Does not work	Working < 12 hours a week	Working > 12 hours a week	Total
Single	509	146	134	789
	64.5%	*18.5%*	*17.0%*	*100.0%*
Married/living with partner	50	15	21	86
	58.1%	*17.4%*	*24.4%*	*100.0%*
Total	**559**	**161**	**155**	**875**
	63.9%	***18.4%***	***17.7%***	***100.0%***

p=0.228

TABLE 26. HOURS WORKED PER WEEK AND DEPENDANTS

	Does not work	Working < 12 hours per week	Working > 12 hours a week	Total
Without dependants	519	148	148	815
	63.7%	*18.2%*	*18.2%*	*100.0%*
With dependants	39	13	7	59
	66.1%	*22.0%*	*11.9%*	*100.0%*
Total	**558**	**161**	**155**	**874**
	63.8%	***18.4%***	***17.7%***	***100.0%***

p=0.421

2.3. DEBT AVERSE STUDENTS

An important set of findings of this study relate to a significant proportion of students who are unwilling to take out government provided loans to support their participation in Higher Education (HE). Some of these students prefer to work rather than borrow and it seems reasonable to describe this group as 'debt averse'. These findings are set out in more detail in a working paper[10], with the major points summarised below.

The study shows that many of the students refusing loans qualified for, and collected, means-tested maintenance grants. The reluctance of this group of students to take out loans implies that there has been a significant redistribution in state support for students. A smaller proportion of students in Year 1, than in Years 2, 3 and 4, do not anticipate taking out a loan. This probably reflects the fact that for this group of students a greater proportion of the support available to them from the state comes in the form of loans. Initially this might be interpreted as indicating that, over time, debt aversion will decrease. However it would be risky to interpret this increase in loan uptake in one year group versus others as an attitudinal change. What can be deduced from the evidence with a greater degree of certainty is that the context in which students take the decision of whether or not to apply for loan is important i.e. that the lower level of grant finance available to this year group versus other year groups, renders them more likely to take up a loan.

The possibility that loans, even on favourable terms (especially the income-contingent protection against the need to make repayments), might not be a good substitute for grants has received too little attention[11]. Two reasons why a loan may be an imperfect substitute for a grant appear to be particularly relevant in the context of this study:

1. The shift from grants to loans lowers the private rate of return from HE. In these circumstances, some individuals at the margin may choose not to seek HE at all. Others may choose to reduce the private costs of their education and hence their need to borrow - two of the strategies they may consider are:

    i) to seek to work in the labour market whilst studying, and hence reduce the earnings foregone. If, as a consequence, less time is devoted to study by students who adopt this course of action, they will be acquiring less human capital from their period of study. Students may thus be prepared to accept a lower level of attainment rather than incur debts.

[10] Debt-Aversion: An Underestimated Problem in the Shift from Maintenance Grants to Student Loans.

[11] The White Paper which preceded the introduction of loans (Department of Education and Science (1988)) confined its examination of the issue to a discussion of the willingness of different social groups to use credit and mortgages for house purchases (pp46.47). The Dearing report (National Committee of Inquiry (1997)) also paid only limited attention to this issue.

ii) to seek to live at home whilst studying; the means-tested maintenance grant system assumed that students living at home faced lower costs than those living away from home.

Individuals may choose to pursue either or both of these strategies.

2. Some individuals may not regard their HE as an investment. They may, for example, view it as a consumption activity (enjoyed at the time of the activity but without longer-term benefits), and borrowing to fund such an activity may appear to be inappropriate or even irresponsible. A grant would not give the individual the same cause for concern as a loan but, in the absence of a grant, earnings in the labour market may be seen as the best way to ensure that consumption is in line with current income.

If reasons 1(i) or 2 are important then the shift from grants to loans may have been a significant driver of labour market participation.

This study provides considerable detail about the characteristics of students who do not borrow. It offers particular insights into the relationships between student characteristics, borrowing behaviour, participation in the labour market and domicile. The study also shows the consequences of refusing a loan for different groups of students. For some students the effects of refusing a loan appear to be relatively minor; they remain free to pursue their studies full-time and are able to live away from their parents/guardian. This may be because of pre-existing savings or the availability of parental assistance. However, at the other extreme there are students for whom refusal of a loan means that they must work in the labour market simply to remain at university, and who worry that the hours of work are adversely affecting their studies (see **Tables 27** and **28**).

The tables below illustrate the consequences for different groups of students aged under 26 years, of refusing a loan (mature students are discussed separately at the end of the section). **Table 27** is a summary table which shows, for all UK students in the sample, less than 26 years old, the characteristics of those who are willing to take out government provided loans and those who do not intend to borrow. Almost one quarter of these students have not, and do not expect to take out a student loan. The proportions are similar for both male and female students.

TABLE 27. WILLINGNESS TO BORROW: ALL UK STUDENTS AGED UNDER 26 YEARS

		Taken out a student loan or anticipates doing so		Does not anticipate taking out a student loan		Total
		%	n	%	n	n
Gender	Male	76.8	218	23.2	66	284
	Female	75.6	326	24.4	105	431
Year	1	79.0	214	21.0	57	271
	2	75.6	161	24.4	52	213
	3	70.5	98	29.5	41	139
	4	77.2	71	22.8	21	92
Place of reside-nce	Non local	79.9	325	20.1	82	407
	Local (not-home based)	84.0	100	16.0	19	119
	Local (home based)	61.7	113	38.3	70	183
Grant	Yes	78.0	359	22.0	101	460
	No	72.5	185	27.5	70	255
Fees	No	78.4	87	21.6	24	111
	Yes	79.4	127	20.6	33	160
Social class	Professional	70.1	61	29.9	26	87
	Intermediate	78.7	203	21.3	55	258
	Skilled manual	73.9	65	26.1	23	88
	Skilled non -manual	84.7	50	15.3	9	59
	Partly skilled	72.7	24	27.3	9	33
	Unskilled	75.0	6	25.0	2	8
Total	UK students	76.1	544	23.9	171	715

Surprisingly 101 (22.0%) of students in receipt of a means-tested maintenance grant do not intend to take up the offer of the loan which is intended to replace the grant for less well-off students. A much higher proportion of local (home based) students do not anticipate taking loans (38.3%) than local (not home based) or non-local students (16.0% and 20.0% respectively). A smaller proportion of students in receipt of grants resist loans, than those without grants (22.0% compared to 27.5%).

The evidence regarding correlations between social class and loan uptake is less secure: no real pattern emerges. However the differences in the sizes of social class groupings in the sample may account for this.

Table 28 shows the subset of UK students in employment at the time of the survey. Among the respondents there are 65 students who were in employment but had not taken out a loan and did not intend to do so. Of these, 41 were living with parents/guardian (local home-based), and 43 were in receipt of a means-tested maintenance grant. Further examination of the data set out in **Table 29** reveals that 19 of the working students who refused a loan did so despite acknowledging 'that work was having an adverse impact on their studies'. Finally, **Table 30** shows that 16 of those who had refused loans, and who were in work, stated that they were working 'simply to remain at university'.

The study suggests that there is particularly strong resistance to taking out student loans by a significant minority of students. This must be of particular concern to policy-makers, when it has adverse consequences for human capital formation in HE.

TABLE 28. WILLINGNESS TO BORROW: UK STUDENTS AGED UNDER 26 YEARS CURRENTLY IN EMPLOYMENT

		Taken out a student loan or anticipates doing so		Does not anticipate taking out a student loan		Total
		%	n	%	n	n
Gender	Male	79.2	76	20.8	20	96
	Female	73.7	126	26.3	45	171
Year	1	74.5	70	25.5	24	94
	2	74.7	68	25.3	23	91
	3	75.0	45	25.0	15	60
	4	86.4	19	13.6	3	22
Place of residence	Non local	82.7	81	17.3	17	98
	Local (not-home based)	87.0	47	13.0	7	54
	Local (home based)	63.4	71	36.6	41	112
Grant	Yes	76.9	143	23.1	43	186
	No	72.8	59	27.2	22	81
Fees	No	75.6	34	24.4	11	45
	Yes	73.5	36	26.5	13	49
Social class	Professional	82.4	14	17.6	3	17
	Intermediate	79.7	63	20.3	16	79
	Skilled manual	68.1	32	31.9	15	47
	Skilled non -manual	72.0	18	28.0	7	25
	Partly skilled	64.3	9	35.7	5	14
	Unskilled	83.3	5	16.7	1	6
Total	Students in employment	75.7	202	24.3	65	267

TABLE 29. WILLINGNESS TO BORROW: UK STUDENTS AGED UNDER 26 YEARS, CURRENTLY EMPLOYED, REPORTING AN ADVERSE IMPACT ON THEIR STUDIES

		Taken out a student loan or anticipates doing so		Does not anticipate taking out a student loan		Total
		%	n	%	n	n
Gender	Male	82.2	37	17.8	8	45
	Female	83.1	54	16.9	11	65
Year	1	81.3	26	18.8	6	32
	2	77.5	31	22.5	9	40
	3	86.2	25	13.8	4	29
	4	100.0	9	-	-	9
Place of residence	Non local	85.7	36	14.3	6	42
	Local non-home	95.8	23	4.2	1	24
	Home	71.4	30	28.6	12	42
Grant	Yes	86.4	70	13.6	11	81
	No	72.4	21	27.6	8	29
Fees	No	76.5	13	23.5	4	17
	Yes	86.7	13	13.3	2	15
Social class	Professional	-	-	-	-	-
	Intermediate	82.9	34	17.1	7	41
	Skilled manual	76.2	16	23.8	5	21
	Skilled non -manual	85.7	6	14.3	1	7
	Partly skilled	75.0	3	25.0	1	4
	Unskilled	75.0	3	25.0	1	4
Total	In employment and reporting adverse impact upon studies	82.7	91	17.7	19	110

TABLE 30. WILLINGNESS TO BORROW: UK STUDENTS AGED UNDER 26 YEARS CURRENTLY EMPLOYED AND 'WORKING SIMPLY TO REMAIN AT UNIVERSITY'

		Taken out a student loan or anticipates doing so		Does not anticipate taking out a student loan		Total
		%	n	%	n	n
Gender	Male	86.4	38	13.6	6	44
	Female	85.5	59	14.5	10	69
Year	1	82.9	29	17.1	6	35
	2	82.1	32	17.9	7	39
	3	92.6	25	7.4	2	27
	4	91.7	11	8.3	1	12
Place of residence	Non local	95.2	40	4.8	2	42
	Local non-home	95.5	21	4.5	1	22
	Home	72.3	34	27.7	13	47
Grant	Yes	85.2	75	14.8	13	88
	No	88.0	22	12.0	3	25
Fees	No	75.0	15	25.0	5	20
	Yes	93.3	14	6.7	1	15
Social class	Professional	2	100	-	-	2
	Intermediate	90.6	29	9.4	3	32
	Skilled manual	82.6	19	17.4	4	23
	Skilled non -manual	81.8	9	18.2	2	11
	Partly skilled	80.0	4	20.0	1	5
	Unskilled	80.0	4	20.0	1	5
Total	In employment and working 'simply to remain at university'.	85.8	97	14.2	16	113

Table 31 shows that a slightly smaller proportion of mature students were not anticipating taking a loan than was the case for students aged 26 years or less. Differences in the take up of student loans by mature students appears mainly influenced by social background (grant and fee status and social class), with students from relatively well-off backgrounds less likely to anticipate taking out a student loan.

TABLE 31. WILLINGNESS TO BORROW: MATURE (OVER 26 YEARS OF AGE) UK STUDENTS

		Taken out a student loan or anticipates doing so		Does not anticipate taking out a student loan		Total
		%	n	%	n	N
Gender	Male	81.3	39	18.8	9	48
	Female	78.3	47	21.7	12	60
Year	1	84.4	27	15.6	5	32
	2	78.0	32	22.0	9	41
	3	80.0	16	20.0	4	20
	4	73.3	11	26.7	4	15
Place of residence	Non local	83.3	20	16.7	4	24
	Local (non-home based)	79.5	58	20.5	15	73
	Local (home based)	72.7	8	27.3	3	11
Grant	Yes	85.3	81	14.7	14	95
	No	33.3	4	66.7	8	12
Fees	No	88.0	22	12.0	3	25
	Yes	71.4	5	28.6	2	7
Social class	Professional	62.5	5	37.5	3	8
	Intermediate	71.4	20	28.6	8	28
	Skilled manual	83.3	10	16.7	2	12
	Skilled non -manual	78.6	11	21.4	3	14
	Partly skilled	2	100	-	-	2
	Unskilled	-	-	-	-	-
Total	Number of mature students	79.6	86	19.4	21	108

Responses to possible changes in funding system

Students were also asked about their likely response to possible changes in funding arrangements. The first question was: 'If the amount of money you could obtain from a *student loan* was increased by exactly the amount of income you receive from work would you stop working?' The question was then repeated but in relation to an additional *grant*. For this second question, we assumed that if a student were ineligible for a grant under the current funding regime, they were likely to remain ineligible after any changes. In order for like with like comparisons to be made, the data in this section relates only to students currently in receipt of a grant i.e. approximately the less well-off two-thirds of students by family disposable income. **Table 32** summarises these results and indicates that students do not perceive grants and loans as close substitutes. Whereas 46% of students reported that they would stop

working if they received an additional grant, around only one-third of that number (15%) would stop if an additional loan were made available.

TABLE 32. RESPONSES TO CHANGES IN THE FUNDING SYSTEM, BY FUNDING STATUS

	No. Students	Percentage
Would stop for larger grant	105	*46%*
Would not stop for larger grant	82	*36%*
Undecided	41	*18%*
Total	228	*100%*
Would stop for larger loan	34	*15%*
Would not stop for larger loan	130	*57%*
Undecided	39	*17%*
Does not intend to use the loan system	26	*11%*
Total	229	*100%*

Choice of mode of study

Students were asked if they would consider changing their course to a part-time basis if the option were available. Only 5.6% of the entire sample felt they would consider this option and there was no discernible pattern in the characteristics of these students. The comparative unwillingness to contemplate part-time study may reflect the historically less favourable treatment of part-time students in the funding system for post-compulsory education, or the consideration of increased number of years necessary to complete a course and thus a delay in achieving higher earnings.

2.4. IMPACT OF EMPLOYMENT ON STUDY AND ACADEMIC ATTAINMENT

There is a clear concern for policy-makers, and students, that part-time employment will have a deleterious impact upon study and academic attainment. The study explores this in two ways. First, the students were asked to assess the impact that part-time work had on their studies. Second, data on academic performance in Summer 1999 examinations was used to assess differences in performance between working and non-working students.

Self-reported impact of employment on study

While the majority (57.1%) of working students perceived that term time employment had no effect upon their academic performance, some 42.9% of students felt that their term-time job did have a deleterious effect on their academic performance. However, among students working above median hours 53.5% reported a deleterious effect of their academic performance. The different responses are shown in **Table 33,** the difference between the two groups being highly significant (χ^2 p=0.000)

TABLE 33. EFFECT OF EMPLOYMENT ON ACADEMIC PERFORMANCE, BY HOURS WORKED

	No affect or improvement in academic performance	Reduction in academic performance	Total
Works <12 hours a week	108	52	160
	67.5%	*32.5%*	*100.0%*
Works > 12 hours a week	72	83	155
	46.5%	*53.5%*	*100.0%*
Total	**180**	**135**	**315**
	57.1%	***42.9%***	***100.0%***

p=0.000

Table 34 shows that 35.6% of working students admitted missing timetabled sessions as a result of their work commitments, although it is expected that the true figure is somewhat higher than this, with some students unwilling to admit to missing classes.[12] Students working longer hours were found to be more likely to miss some classes (**Table 34**). Of those admitting to missing some classes, the majority claimed to miss only one or two hours a week (**Table 35**). Job flexibility appears to be important in determining any impact of a job on academic performance; those students with complete control over their hours were less likely to report a reduction in academic performance; this result is not affected by hours worked (**Tables 36** and **37**).

Some 127 of the 321 students (39.7%) in employment were found to work the *same number of hours* each week, and 151 (47.2%) work the *same shifts*, reflecting the

[12] For example, several students claim to be working all day and not missing any classes.

nature of most of the jobs in bars etc. The majority (211 respondents, 64%) work an evening shift (between 5 p.m. and midnight), while 120 (37.4%) work between 9 a.m. and 5 p.m. Some 59 (18.4%) work after midnight, while 264 (82.2%) work at some point during the *weekend*. Only 65 (20%) students claimed to have complete control over the hours that they work, while 36 (11.2%) indicated they have no control. There was no discernible relationship between control over hours worked and the number of hours worked (**Table 36**). That almost 80% of students working feel that they have only some or no control over the hours that they work is the corollary of the nature of the demand for student labour, revealed by the *Survey of Employers*. The evidence of the latter highlighted students' availability to work unsocial hours and to be flexible regarding hours, as primary reasons for employing them.

TABLE 34. EFFECT OF HOURS WORKED PER WEEK ON ATTENDANCE AT TIMETABLED UNIVERSITY SESSIONS

	Misses no classes	Misses some classes	Total
Works <12 hours a week	118	43	161
	73.3%	*26.7%*	*100.0%*
Works > 12 hours a week	85	69	154
	55.2%	*44.8%*	*100.0%*
Total	**203**	**112**	**315**
	64.4%	***35.6%***	***100.0%***

p=0.001

TABLE 35. HOURS WORKED AND NUMBER OF UNIVERSITY SESSIONS MISSED

	Less than one hour a week	One or two hours a week	Three or four hours a week	Five or more hours a week	Total
Works <12 hours a week	17	25	1	0	43
	39.5%	*58.1%*	*2.3%*	*0.0%*	*100.0%*
Works > 12 hours a week	23	36	8	2	69
	33.3%	*52.2%*	*11.6%*	*2.9%*	*100.0%*
Total	**40**	**61**	**9**	**2**	**112**
	35.7%	***54.5%***	***8.0%***	***1.8%***	***100.0%***

p=n/a

TABLE 36. DEGREE OF CONTROL OVER HOURS WORKED, BY NUMBER OF HOURS WORKED

	Complete	Some	None	Total
Works < 12 hours a week	35	110	15	160
	21.9%	*68.8%*	*9.4%*	*100.0%*
Works >12 hours a week	30	104	21	155
	19.4%	*67.1%*	*13.5%*	*100.0%*
Total	**65**	**214**	**36**	**315**
	20.6%	***67.9%***	***11.4%***	***100.0%***

p=0.479

TABLE 37. EFFECT ON ACADEMIC PERFORMANCE BY CONTROL OVER HOURS

	No effect or improvement in academic performance	Reduction in academic performance	Total
Complete control over hours worked.	43	22	65
	66.2%	*33.8%*	*100.0%*
Some or no control over hours worked	138	114	252
	54.8%	*45.2%*	*100.0%*
Total	**181**	**136**	**317**
	57.1%	***42.9%***	***100.0%***

p=0.098

The impact of term-time employment on academic performance

As well as considering the students' own assessment of the impact of employment on their studies, this study was also able to explore the effect of work on their academic attainment. A more detailed analysis of the effects of employment on academic attainment is contained in a working paper[13]. In addition, the impact of factors other than term-time working on academic attainment are being explored in greater depth.

Statistical techniques used

The Mann-Whitney U test[14] is used to determine whether there is a statistically significant difference in the attainment of two groups of students. The measure of student attainment used within this study is the individual student's overall mean percentage mark, (calculated from the unit/module percentages the student was awarded during the academic year). Students in the groups to be compared are ranked according to their attainment and the performances of the median student in each group are then compared. Each time the test is used a standard *p* value is reported.

[13] 'The Impact of Term-Time Employment on Academic Performance'

[14] A nonparametric version of the t test, when using this test we do not need to know the nature of the underlying distribution but the distributions are assumed to be independently and identically distributed. The preferred option of comparing student attainment using t-tests was unavailable, as the student grades were not normally distributed.

The median grade for each group is reported in the tables below and the difference in attainment between groups[15].

The attainment of employed and non-employed students

The attainment of the median student not in employment, was significantly higher than the median employed student, (p=0.003) (**Table 38**). This difference is illustrated in **figure 4**, which plots the distribution of grades for working and non-working students. It suggests that the distribution of marks for employed students is very similar to that of those not employed except that it is shifted to the left, and contains a few more observations in the left-hand tail. This slightly greater concentration of working students in the left-hand tail implies students in work may be more likely to be failing their degree (i.e. scoring below an average of 40%) than would be expected by a uniform leftward shift in the grades distribution[16].

Figure 4. Attainment by employment status

If the number of hours worked in an average week is considered, there is no evidence to suggest that the median grade of these working above the median of 12 hours was any different from the grade of those working below 12 hours a week (**Table 39**). There are also no obvious differences in the distribution of grades by hours worked, see **figure 5**, apart from a slight tendency for those working above median to have more observations in the two tails.

[15] As the Mann-Whitney test looks for differences in the medians and does not examine the size of the difference.
[16] A chi-squared test of students failing at least one unit/module against employment status generated a marginally significant p value of 0.072 (there were 168 students had failed at least one unit/module within out sample).

Figure 5. Attainment by hours worked

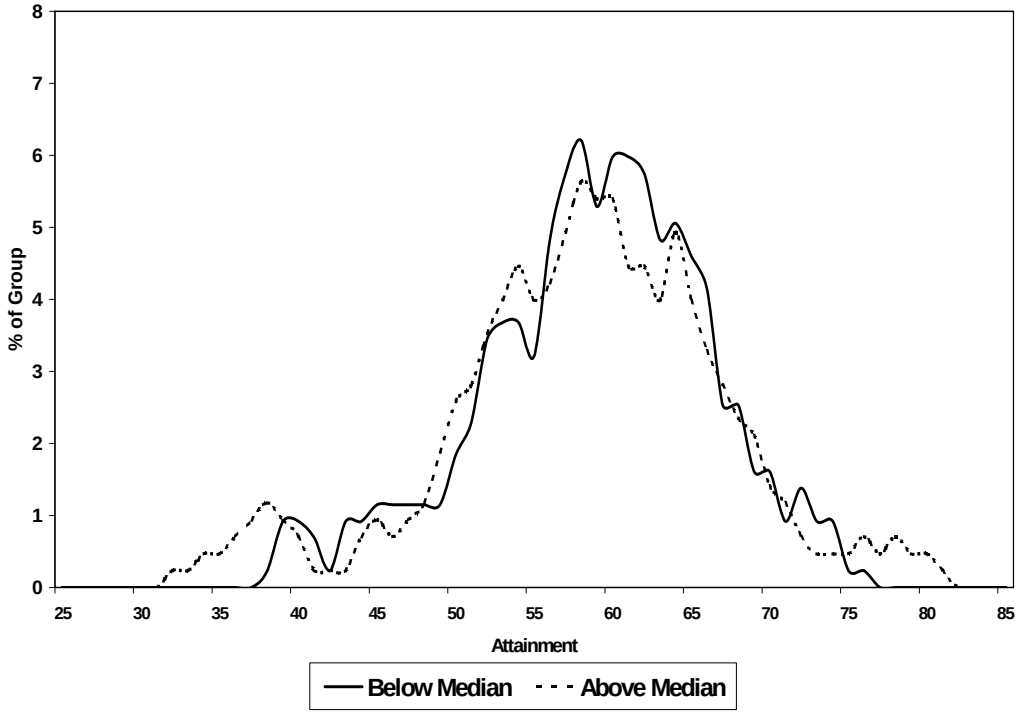


TABLE 38. THE IMPACT OF EMPLOYMENT ON ACADEMIC ATTAINMENT

	Median	n=
Employed	57.47	292
Not Employed	59.17	481
Percentage points lost	-1.7	

p=0.003

TABLE 39. THE IMPACT OF EMPLOYMENT ON ACADEMIC ATTAINMENT, BY HOURS WORKED

Hours worked	Median	n=
<12	57.80	145
>12	57.55	143
Percentage points lost	-0.25	

p=0.595

Influence of gender, age and domicile

In examining the influence of gender on attainment (**Table 40**) a significant difference (p=0.009) was found between the median attainment of employed and non-employed male students, with the median employed student achieving around 2.9 percentage

points less. By contrast, although there was some evidence of an effect on female students (where the difference in median grade was 1.7%) the result was not highly significant (p=0.095).

TABLE 40. THE IMPACT OF EMPLOYMENT ON ACADEMIC ATTAINMENT, BY GENDER

	Female		Male	
	Median	n=	Median	n=
Employed	58.20	185	55.40	107
Not Employed	59.91	275	57.88	206
Percentage points different	-1.71		2.48	
p=	*0.027*		*0.009*	

Previous sections of the report suggested that mature students tended to fall into two groups; those who had adequate funds (e.g. from a partners income) and second those who had no alternative but to engage in employment (perhaps to support dependants). The differences between mature students being much more clearly defined than for non-mature students. This division might be expected to result in employment having a larger deleterious effect on these students. Whilst **Table 41** shows that there is strong evidence suggesting that the median grade for employed non-mature students (under 26 years of age), is below that of their non-employed counterparts, there is no statistical evidence to suggest that paid employment is affecting mature students, although the number of observations was relatively low.

TABLE 41. THE IMPACT OF EMPLOYMENT ON ACADEMIC ATTAINMENT, BY AGE

	All non-mature		All Mature	
	Median	n=	Median	n=
Employed	57.09	252	60.50	39
Not Employed	58.67	412	62.63	69
Percentage points lost	1.58		-2.13	
p=	*0.009*			*0.101*

Domicile does not appear to have a significant influence on the impact of employment on academic attainment. The difference in performance between employed and not employed students was almost identical for local (home based) and for non-local students (see **Table 42**). Students who were local (not home based) appeared to suffer less as a consequence of employment, however, this group contains a large number of mature students (further sub-division of the group is not possible because of small numbers).

TABLE 42. THE IMPACT OF EMPLOYMENT ON ACADEMIC ATTAINMENT, BY DOMICILE

	Local (Home based)		Local (Not home based)		Non-local	
	Median	n=	Median	n=	Median	n=
Employed	57.92	107	58.04	82	56.56	100
Not Employed	60.25	75	59.90	101	59.00	302
Percentage points different	-2.33		-1.86		-2.44	
p=	*0.091*		*0.288*		*0.007*	

The influence of year of study

Table 43 below relates to students within each year, a significant effect of employment on attainment was only observed for year two students[17]. The absence of a significant impact on first year students may be due to their units/modules requiring less time input than units/modules for later years. This hypothesis is supported as a higher proportion of year two students compared to year one students (47% and 37% respectively) felt their jobs were impairing their academic performance.

The absence of a significant result for third year students is more puzzling, as their propensity to be in employment was similar to that of second years[18], the following two reasons seem plausible;

1. By the time a student gets to their final year they have learnt to combine effectively paid employment and academic work, perhaps learning heuristically from their second year experiences. Final year students may reduce their time spent on 'other' activities to allow more time for academic work. However, as indicated above, the proportion of year three students perceiving that their job had a deleterious effect on their academic performance was very close to that of year two. This lack of reduction in proportions of student self-reporting a deleterious effect could be seen as casting doubt upon the validity of this hypothesis.

2. Within the sample, several students indicated that they had quit term-time jobs in-order to concentrate on their studies (55 out of the 152 student who had been in term-time employment, see section 3.4). This raises the possibility that after our survey, further (final year) students quit jobs in the run-up to their final (third of fourth year) examination period. In addition, running up a small (additional) amount of debt in the last few weeks/months may not be seen as important *if* the student anticipates finding a job soon after graduation.

[17] the analysis was repeated removing mature students but the results were very similar with no significant result becoming insignificant or vice versa

[18] Whereas the number of fourth year students in work was significantly lower than second and third year students.

TABLE 43. THE IMPACT OF EMPLOYMENT ON ACADEMIC ATTAINMENT, BY YEAR OF STUDY

	Year 1		Year 2		Year 3		Year 4	
	Median	n=	Median	n=	Median	n=	Median	n=
Employed	57.96	102	55.92	104	59.29	63	59.50	23
Not Employed	57.33	183	59.54	142	58.67	83	61.11	73
Percentage points different	0.36		-3.62				-1.61	
p=	*0.758*		*0.000*		*0.493*		*0.278*	

Impact on attainment by area of study

The data allow us to consider whether term-time employment has a differential impact relating to the student's broad field of study. The students are spread across five faculties, art and design, business school, engineering science and technology, health social work and education and social sciences. Differences in attainment across departments run into problems of small numbers and confidentiality.

The strongest effect of employment on median academic attainment was in the business school, where the median grade of employed students was more than 4.5 percentage points lower then that of the non employed students. Within the Engineering science and technology faculty there was a significant difference in the median grade, only when mature students had been removed. There were no significant effects recorded in art and design or the social sciences. Within the health social work and education, faculty a somewhat perverse result occurs with no significant differences being observed when all students are analysed, but once mature students were removed, employed students perform significantly better than non employed students (although it must be noted that there are very low numbers).

2.5. CONCLUSIONS AND POLICY IMPLICATIONS

The level of student activity in the labour market in Spring 1999 appears to be significantly higher than the level in the early 90s. While a comparison with an earlier cohort of UNN students is not available, the study by Ford et. al. (1995) of four universities (Loughborough, Coventry, Warwick and UMIST) in Spring 1993, found employment among second year students and above, at the time of the questionnaire, to be about 20%, with 30% employed at some point during the year. Other studies, reported by Ford et. al., suggested term-time employment levels of the order of 25-27%. The current study shows an all year participation rates of 37% (38% at second year and above) at the time of the survey and 53% at some point during the academic year.

The hours of work and levels of pay reported in this study of UNN suggest that income from employment is an important component of the means by which many students now fund their time in HE. The overwhelming proportion of the jobs undertaken by students are unskilled, often with unsocial hours, and low (but mainly above minimum) wage levels. The jobs do not form part of the long-term career planning of most students. However, student participation in the labour market may have implications for others: UNN students are currently filling more than 1,200 full-time equivalent jobs in the Newcastle area during term-time, a proportion of which might be available to unskilled unemployed workers if students were not entering the labour market on such a large scale[19]. This competition for unskilled jobs from students appears to have intensified over the last decade, as the level of student actvity in the labour market has increased. It must be recognised however, that although nominally unskilled jobs, students who compete for such jobs and are successful, do so because they possess general skills and aptitudes and are flexible, qualities which render them more attractive to employers than many of the unskilled unemployed.

The report identifies a number of other issues of concern to policy-makers which will be the subject of further analysis by the authors:

1. At UNN, and elsewhere, a large number of students are choosing to live at home with parents/guardian while studying. This represents a substantial departure from earlier patterns of attendance at university in England. The study found significant differences in the characteristics and behaviour of students living with parents/guardian compared with those who live away from their family home. Those living at home tend to be from less well-off backgrounds, were much more likely to be in term time employment and were less likely to take out student loans. Women students living at home exhibit particularly high rates of labour market participation and low rates of loan take-up. The grant system, introduced in 1962, was intended to mitigate against differences in opportunities to choose the location

[19] Working students from other local universities and colleges mean the total student contribution to the workforce in the Newcastle area is much higher than this.

of study. It is possible that the shift from grant to loan finance is constraining choices for certain groups of students[20].

2. As indicated at several points in the report, there is a need for more attention to be given to the inequalities between students. A positive impact of the recent development of HE has been a significant rise in the absolute number of students from the lower socio-economic groups despite the introduction of part loans from 1990. However, the equity argument, used to justify the introduction of student loans in place of grants - that students who are likely to become well-off in later life should not be subsidised so heavily by tax-payers who are frequently less well-off - pays insufficient attention to the inequalities *between* students. The problems of inequalities between students are not new, even in the era of grants there were inequalities in the degree of support parents offered, so the overall support package available to students varied a good deal, but the report does show that current inequalities between students are very substantial.

3. The shift from grants to loans as the Government's preferred means of support for maintenance has important consequences in relation to a significant group of students, who in the report are termed 'debt averse'. The policy change was premised on a changed view of social equity and an assumption that, from an economic efficiency perspective, loans were a good substitute for grants as a means of tackling capital market failure. The study suggests that (at least at present) for some students loans, even on very generous terms, do not appear to be a close substitute for grants. A large number of students were in term-time work as an alternative to borrowing. Furthermore many of the students who fall within this 'debt averse' group appear to be drawn from less well-off sections of society.

4. Students were self-aware and a large proportion (43%) acknowledged that employment was affecting their studies adversely. For students working longer hours a majority felt their studies were being harmed. The study also considered evidence of performance in the 1999 examinations and suggested that there is a significant negative effect on academic attainment, with students in work, particularly males, achieving lower scores than students who are not in employment.

[20] It should be noted that not all of this change should be attributed to changes in the funding arrangements. Nationally there are factors at work, other than the changes in the funding system which are having an impact upon where students choose to study. These include increasing proportions of mature students in the student community and the very active recruitment of local students by some of the new universities.

SECTION 3

ISSUES ARISING FROM THE SURVEY OF EMPLOYERS

3.1. INTRODUCTION TO THE SURVEY OF EMPLOYERS

The objectives of the study

This part of the study aims to offer a complementary perspective on the labour market role of students to that provided by the *Survey of Undergraduates*. It does not attempt to furnish a similar level of quantitative data, but sets out to explore qualitative aspects of *demand* for student labour within the local economy. It examines the phenomenon of student term-time employment in terms of the following dimensions:

- The reasons firms choose to employ students
- The process by which businesses take on and train student employees
- What students actually do within these firms and the nature of their involvement
- Based on the *Survey of Employers*, the future requirements of employers and how students may be used to meet such requirements
- The broader implications of the employment of undergraduates, for students themselves and its impact upon the local labour market

3.2. EMPLOYERS' REASONS FOR EMPLOYING STUDENTS

This section of the report is concerned with understanding employers' motivations in taking-on students as employees. It examines employers' perceptions of the attributes of student as employees, relative to other types of employee who might be recruited to undertake the same tasks, and the importance of student workers to the operation of the firm or organisation.

Availability

For all employers interviewed, the availability of students to work what may be considered 'unsocial hours', was the most frequently cited reason for employing them. This was usually expressed in relative terms, referring to limitations on the availability of other potential employees to work particular shifts. Such limitations were attributed to domestic and/or childcare responsibilities, from which students were seen as being relatively free. This perception of availability affects recruitment practices, leading some employers to target students for specific shifts and to contact student employment services at the universities or advertise within the students' unions to seek potential recruits.

The overall 'normal' pattern is that students are asked to work early morning or evening shifts and/or weekend slots. The requirement for early mornings emanates from retailers and seems to reflect an overall expansion of trading hours in the sector, particularly in city centre locations. For example, a chemist chain had specifically targeted students for their 'out of hours filling-up team' (early morning 7.00-9.30 am and evenings 4.30-8.30 pm). Availability for evening work is particularly required by the catering and leisure industry, supermarkets and by call centres/telesales enterprises. In the case of the latter, demand for student labour is increasing significantly, in line with current business growth. Both employment agencies interviewed deployed students in office-type settings where efforts are being made to extend the working day, usually in response to public demand. They also employ a small number of students for specific discrete contracts where hours worked are not proscribed by contact with customers or other employees.

Willingness amongst students to undertake extra hours as required was also seen as a positive factor. This flexibility may be reciprocated, with an employer allowing students latitude to accommodate attendance at university or meet important assignment deadlines. A number of respondents to the *Survey of Undergraduates* confirmed that their employers allowed them a degree of latitude when university deadlines were imminent. However, on the negative side of the equation, one employer (a manufacturing SME) detected slight animosity from a number of other workers concerning the flexible hours which students were allowed to work. For the market research company, this type of reciprocal flexibility represents a trade-off. The employer would prefer the hours to be confined to a conventional 9-5 working day, but has to balance this against the availability of a particular combination of

locally-scarce skills embodied in the student employees, who are only available from mid-afternoon onwards.[21]

Juxtaposed to student flexibility and ability to work evenings, is the most frequently reported disadvantage of employing students, that of the *limits to their availability* for particular time periods, e.g. returning home for vacations (which for certain employers may represent peak trading periods), or lack of availability for particular hours, i.e. daytime working. Forty per cent of employers interviewed saw the lack of availability during vacations as the principal disadvantage, while 20% specified lack of availability for daytime working. In some cases, contracts were offered only to those students able to commit to work over vacations. Indeed a large retailer, based in the city centre, overcomes lack of availability at specific times of the year by refusing to make special provision for student vacations. Students are contracted to work short shifts, early mornings or in the evenings and appropriate for term time, but must be available to work such hours *all year round*.

Those citing limits upon availability as a problem perceived a causal link between breaks in employment for vacations and relatively high attrition rates amongst students. Attrition rates were mentioned as an issue by 25% of those interviewed. However, placed in the context of all groups holding part-time and temporary contracts, rates were no worse among students. Closer examination suggests that the issue with attrition seems to be its *pattern* rather its than incidence. Because of the numbers of students failing to return after vacation (and ultimately upon graduation), there is a 'peaking' problem, with employee losses occurring in batches, and therefore inflicting greater impact upon organisations, in terms of disruption costs, than might otherwise be the case.

In order to overcome this, several of the large retailers have begun to operate a reciprocal scheme, whereby students returning home during vacations are helped to gain employment at outlets in their home town and, in turn, are replaced locally by returning students. This is beneficial to both students and employers. It helps to minimise staff turnover and thus recruitment and training costs for the employer, and offers continuity of employment for the employee. This in turn allows the employee to maintain, in the case of the supermarket interviewed, pay grade, holiday entitlement and even profit share entitlement. However, one of the largest local supermarkets outside the city reported that such exchanges were not always feasible, since in their experience, leavers exceed returning students. Another of the chain's stores, in a student residential area, reported that student departures exert such an impact on demand levels that staffing requirements during vacation periods are significantly reduced.

Ability and attitude

Over one-third of employers interviewed saw students as 'brighter than the average applicant' and 'quick to assimilate new information'. One of the call centres reported

[21] For this particular company, five students working part-time cover the equivalent of two full-time posts. The nature of the work requires a complex workstation for each employee. As the students are frequently only available for work at the same time (late afternoon/early evening), the employer is obliged to bear the additional capital costs associated with establishing and maintaining five workstations rather than two.

that students were 'highly motivated, quick learners and able to think laterally'. This translates into reduced training requirements, with a concomitant reduction in costs and staff time. Three employers (a software producer, call centre and manufacturing SME) saw the ability to learn quickly as an even greater asset when combined with students' open-mindedness concerning work: 'Sometimes it is better to have someone a little bit brighter and with no previous experience *or pre-conceptions about the work'* [italics added]. The software producer specifically described this last quality as '**imprintability**', allowing the employer to shape the students' attitudes and work practices, enabling students to be 'very flexible in the way they approach the work'.

The overwhelming impression from the survey is that the attitude of local managers towards students is a positive one and has become more so as the result of the experience of employing them. The financial institution, which has closely monitored its employment of students partly because of initial reservations about reliability, has found them to be 'hardworking and reliable', attendance rates to be relatively good and requiring 'very little in the way of supervision'. Similarly, one of the employment agencies had anticipated a 'reliability' issue, but in practice found that no problems arose. The other agency reported higher levels of motivation among student employees than other categories of employee holding temporary contracts.

The human resources spokesperson for the multinational indicated that student recruits often lacked appropriate priority setting and time management skills (of the sort that may be addressed by the current DfEE Key Skills initiative). This is not the general experience, however. The manager of one employment agency reported that those students presenting themselves as available for work managed their time and competing priorities well, possessing relatively high levels of motivation and self-discipline as compared to other employees. The market research organisation also found student employees well motivated and productive, describing them as 'keen to get on with the task in hand and less likely to be demoralised by conditions at work'. Again, this may be related to the future prospects available to other employees versus students.

Desirable personal qualities, such as self-confidence, outgoing personalities, 'the ability to talk to anyone from anywhere', were sought overtly by half of the employers and perceived as commonly occurring amongst students. The managers of the modern bars/restaurants believed students could help engender the right atmosphere (perceived as 'young, cosmopolitan and with a buzz'). Also, students comprise a significant proportion of the customers of such outlets, and having staff that are their customers' peers and contemporaries is seen as desirable by the employers.

Skill requirements

The core, generic skills possessed by students: oral and written communication, IT awareness and the overall ability to learn and apply learning are, on the whole more highly valued by employers than any specific skills - in the context of the jobs that undergraduate students are recruited for versus their competitors in the labour market.

In contrast, 25% of employers identified students as the most suitable candidates for the execution of short, discrete projects or tasks. Such contracts are usually distinguished by their higher skill level requirements. These often required IT proficiency and, according to the respondents, above-average intelligence in terms of task content.

Where particular skills or knowledge are required, rather than general attributes, employers often refine their search by targeting students on appropriate university courses. Relatively, compared to other gateways into the resources of available labour, this eliminates some of the time usually spent screening candidates and guarantees levels or types of skills.

For instance, three employers (the headquarters of a multinational manufacturing company and two employment agencies) require students with secretarial skills for holiday/sickness relief. Formerly the Bachelor of Arts degree in Secretarial Studies at UNN provided the company with around 20 students in need of a compulsory four week placement. These students were subsequently retained as holiday relief staff, and sometimes longer. They had the appropriate skills and were socialised in corporate culture during the unpaid placement. Representatives of the same company still go to speak to students on an equivalent course (which no longer has a placement requirement) in an effort to build awareness and encourage students to gain work experience. This is seen as a PR or seeding exercise, aimed at fostering links with the university and attracting students as future employees, permanent or temporary. One of the employment agencies also actively seeks students from courses with business administration components. In the sport and leisure sector, there is a demand for student employees with the ability to coach and supervise particular activities as well as a need for part-time pool lifeguards, but employees must hold a National Pool Lifeguard Certificate.

Additionally pharmacy skills are sought by retail chemists and increasingly by supermarket chains. Locally students from Sunderland University provide these. Students are employed in three local branches of the retail chemists and are targeted for Saturday only vacancies in general sales, with the aim of attracting them later as graduate recruits. The financial institution, which is developing and monitoring its employment of students, is currently refining its requirements in order to see if they may be matched by approaching specific courses (e.g. accountancy). There are other cases of particular functions within organisations being filled by students with specific course-related skills (accountancy is an obvious one). This was usually found to be the opportunistic result of personal contacts, sometimes with staff at the university, rather than the firm entering the labour market specifically to obtain such workers.

Employers are also interested in accessing skills, which, while they are not the subject of the academic courses, are needed in order to pursue the study programme successfully. IT skills in general were mentioned and valued by some employers. One of the software manufacturers interviewed sought students on business studies and computer courses. The electrical goods retail group and the software producer identified students' general up-to-date awareness of software packages and 'current

jargon' as an asset. One of the call centres needed students for their combined listening and keyboard skills. One employment agency and the multinational regarded current levels of computer literacy amongst students as good enough to eliminate the need for OTJ training, which previously had to be factored in to recruitment costs.

A good example of the exploitation of combinations of skills found among students is found in the case of the market research organisation where IT skills, accompanied by fluency in one or more foreign languages, plus high levels of accuracy, are essential. This company, amongst other functions, monitors foreign media advertising. This involves viewing video recordings of TV programming from Europe and Scandinavia, with the aim of identifying specific advertising for clients seeking information on competitive activity and expenditure. Employees must be able to both understand and interpret the content and tone of the advertising; they also need to be self-sufficient in the operation of the recording and replay facilities and the computer equipment necessary to isolate particular advertisements. The business carrying-out this activity was taken over by a larger company during 1998 and local management has made strenuous efforts to retain this part of its operations in order to prevent the de-skilling and consequent downgrading of its activities. High levels of proficiency in Scandinavian languages have been particularly hard to find and, for the immediate future at least, undergraduate students with the right combination of skills have assured the retention of this particular function within the Northeast.

3.3. RECRUITMENT AND TRAINING OF STUDENT EMPLOYEES

How an organisation goes about recruiting students is closely related to the nature of the task and the skills needed to undertake it. This section examines the recruitment processes of the organisations surveyed, and the ways in which they set out to acquire or foster the skills required.

Recruitment of students

No respondents specifically targeted students to the exclusion of other groups. The employee profile sought makes students one eligible source amongst others. What does appear to make a difference is that access to this source is relatively easy. Employers can reach potential student employees via 'in-house' student employment services (Tempo at UNN, Job Shop at University of Newcastle), notice boards in Students' Unions or Faculties, or by word of mouth through existing employees (revealed by the *Survey of Undergraduates* to be an important means by which jobs are obtained by students). Overall, employers believe that if they gain access to the pool of student labour they could assume candidates would possess appropriate academic ability and a propensity to learn effectively and quickly. They did not feel able to make the same assumptions for candidate drawn from other sources.

None of the respondents had a specific policy relating to the employment of students, though one (the head office of a financial institution), which has been experimenting with the employment of students in preference to other potential employees, is gradually evolving policy in this area. The market research firm is an exception. In practice, it has arrived at the targeting of students as the result of having failed to find appropriate recruits via media advertising, recruitment agencies and locally based foreign language societies. For this firm employing students is a high cost option. Their limited availability to work shifts around the clock means that, in order to cope with the volume of work, it is necessary to maintain multiple workstations available for simultaneous working, rather than have fewer stations used sequentially. This is regarded by the firm involved as an opportunity cost worth paying in order to retain the high level functions in the North.

Terms and conditions of student employees

As would be expected, attempts on the part of employers to achieve flexible working are embodied in the contracts. Within retailing, for example, students are usually employed to work specific shifts, particularly those on late night opening (Thursdays) and at weekends, especially Sundays. Some contracts attempt to achieve continuity over the year, for example by stipulating that student employees **must** be locally available for work during term-time *and* vacations. In other organisations, a low contracted number of minimum hours are accompanied by the expectation that additional hours will be worked by arrangement. The *Survey of Undergraduates* found that though few students have no control over their hours (10%), most have limited control and only around 20% are entirely free to determine the hours they work (**Table 36**).

Overall, the employers interviewed demonstrated an awareness of the constraints upon students, (such as revision for examinations, assignment deadlines, teaching time required for different courses). This awareness appeared to shape their response and possibly to foster an attitude of tolerance, but was not enshrined in written or declared company policy. The larger supermarket, for instance, purposely does not approach students for late shift work and informally imposes maximum limits on the number of hours that may be worked. A more formalised approach was demonstrated by one of the call centres, which has a Student Forum, instituted to identify issues relating to employment arrangements relating to students (the recognition, for instance, of students' additional commitments around exam time and the need to accommodate timetable changes associated with new semesters/academic years). Such practices could pre-figure policy.

However, branches of larger organisations (as illustrated by both the larger supermarket and a high street electrical retail group) are often allowed a considerable degree of local autonomy in assessing and meeting staffing needs. Thus not only may some recruit a greater proportion of students than others, but the terms that apply to conditions of employment may vary. For instance the implementation of a transfer programme between branches (as explained in **2.1** above) is dependant upon the co-operation of local managers and therefore occurs on an *ad hoc* basis with no guarantee of transfer, of the job or the benefits, for the student.

The specific needs of the small supermarket, based in an area where a large number of students live, are being addressed through experimentation with flexible contracts. As may be recalled from **Section 2.1**, this supermarket, part of a large national chain, experiences large fluctuations in its trading patterns, attributable to the exodus of students during vacation periods. There is a trend for new permanent contracts to be offered which are set at a low basic number of hours per week, with an option on the part of the employer that the employee works additional hours at days/times specified in the contract on request. For the employer this reduces fixed staff overheads and increases the number of staff available to work extra hours during peak trading periods.

Training provision

Training given to student employees varies between organisations but is generally similar to that given to other, non-student, employees doing similar tasks. In most cases training is ongoing and is carried out on-the-job (OTJ) on a regular basis (e.g. weekly), though in several of the firms three days' induction training is standard provision. As one company respondent stated, students are 'considered as just another member of staff in matters of training'. A typical example is the large electrical retail chain, which has a core training and induction course that is delivered to all employees. Members of the same workforce who work more than 16 hours a week however, must attend a residential course in sales training after 26 weeks with the company. Employees must pass this course to have their contract confirmed, which can represent a logistical difficulty for student employees.

In some organisations there is an extensive *formal* training scheme. In the case of a local call centre, for example, this training is of four weeks' duration: two weeks of classroom-based training, followed by supervised practical work and then a period in which they are under review by an OTJ trainer. The training, moreover, is ongoing, with an additional two weeks of formal training for those moving on to sell higher level product lines and all employees have an additional one hour's training per week plus a weekly period of one-to-one training OTJ with a manager. Both of the employment agencies offer training on particular equipment or software packages, in order to meet the clients' specific needs.

In contrast, other companies rely upon relatively *informal* schemes, with most of the training delivered OTJ in a relatively short period of time. The supermarket stores have a limited formal training programme, consisting of a one-day induction and additional formal sessions on Health & Safety and food safety training where appropriate. On-the-job training is then used, with around one month of such informal training for the employee to become competent in their designated tasks.

There is little evidence that the training schemes lead to vocational qualifications. One of the public houses offered training to all staff (including students) in bar skills, cellar management and customer service, leading to an NVQ award, but high turnover among student employees means that members of this group rarely reach the award stage. A similar training programme is organised by one of the new bar/cafes in the city centre, although they do not use NVQs specifically. An IIP (Investors in People) award was also part of the training programme of one of the call centres surveyed.

In jobs in which specialist skills or qualifications are necessary there is evidence that students are given the opportunity to enhance their qualifications if they are employed long-term by the organisation (e.g. lifeguards in the sports and leisure sector). While of benefit to the employee, this is, of course, crucial for the employer. The high street chemist's chain gives student pharmacists in-depth vocational training because they are regarded as 'vital to the core business' at the local sites. Moreover, the company believes that providing training of this sort will encourage students to enter full-time employment with the company upon completion of their studies (almost entirely within this region carried out at Sunderland University). This policy has been developed in response to a persistent shortage of pharmacists.

Overall however, students are unlikely to be considered for any work which requires lengthy induction or involves particular safety routines and accreditation. Certainly, the *Survey of Undergraduates* shows that few students are found to be working in manufacturing. An example from this survey demonstrates the constraints on employing students. One of the software producers uses an in-house programming language, partly because of which graduate recruits need (with training) on average 8-12 months to become fully effective employees. It is understandable therefore, that even students studying IT-related courses are unlikely to be a cost-effective option, and that the only employment options for undergraduates with such companies are to be found in support areas, such as the finance department.

3.4. STUDENT ROLES WITHIN THE FIRM OR ORGANISATION

The aim of this section is to examine the types of job undertaken by students and the specific tasks they perform within local organisations and the promotion opportunities open to them. This evidence, alongside that relating to Terms and Conditions (**Section 3.2**) and Training (**3.3**) gives an indication of the extent to which students are fully integrated into the workforce within a firm, allowing us to assess whether the student experience of employment within an organisation differs substantially from other (non-student) employees in the same occupations.

Occupations and tasks

In general, student employees perform the same tasks as other workers carrying out the same job within the company. For the most part, the tasks are relatively low level in their skill requirements. In retailing for example, students are mainly employed as sales assistants. Supermarket jobs are confined to two types of task, check-out duties and shopfloor work (mainly shelf-stacking); support services in these firms are often full-time positions and in any case tend not to recruit students. In some high street stores, however, students are found to undertake a wider range of duties, including customer services, merchandising and operational processes (e.g. stock control and tasks related to health and safety).

In call centres students fill mainly the 'advisor' roles, which is the lowest telesales position in the organisation. They take inbound calls relating to the company's products and undertake telephone sales activity, which varies in complexity and product knowledge requirements. Here also, student employees tend not to be recruited into support roles (e.g. sales reporting) which are more often full-time appointments, although it is possible to become what one call centre categorised as an 'experienced advisor', the next level up in the employment structure (see the more detailed discussion below).

The findings of the survey are quite clear in that they point to students undertaking a range of jobs which share the need for certain basic core skills, principally numeracy, literacy, communication, and basic abilities in relation to ICT. As described in **Section 2.1**, students are particularly valued for their flexibility in their approach to work and the number of hours they are prepared to work and ***when***. There are, however, situations in which students with particular skills are taken on to carry out specific tasks, which, as has already been stated, are closely related normally to the course the student is taking.

Career progression within organisation

The majority of the companies surveyed indicated that whilst promotion was not ruled out, opportunities were generally limited to the lower rungs of responsibility within the organisation. The principal limitations are the number of hours students are available to work and often the duration of employment. In the cases of the local

headquarters of a large international manufacturing company, two employment agencies, and the Hospital Trust, students are brought in for very specific short-term contracts and on completion of these, as with similar employees, they have to move on. Such arrangements obviously militate against progression.

Promotion opportunities for student employees are predominantly to be found in sectors in which a high proportion of the total labour-force consists of part-time workers. In retailing there is evidence that a student may become a part-time supervisor or floor manager, but further progress can be achieved only if the student becomes a full-time employee. The Human Resource Manager of one of the supermarkets stated that if student employees display a willingness to take on additional responsibilities to those normally given to assistants (e.g. extra till responsibilities), then this can be arranged, but there is no extra pay attached.

The call centres do appear to offer real scope for promotion. One of the call centres interviewed for this study reported it had two students in telesales that had been promoted to team leader posts because of their OTJ performance, but beyond this access to supervisory or management levels is predictably restricted to full-time, permanent employees. Similarly, the other call centre offers the possibility of promotion from 'advisor' to 'experienced' and even 'highly experienced advisor', but once again it is not possible to progress beyond this grade because 'senior advisors' are full-time appointments.

There is also evidence of promotion prospects in the pub/restaurant sector. In each of the organisations surveyed, it was pointed out that students did have the opportunity to move into positions of greater responsibility within the company. In one of these organisations, however, promotion and additional remuneration are dependent on successful completion of the NVQ course (detailed above, **Section 3.3**), but in practice student turnover rates mean that no one reaches this stage. As a general rule then, in order to be considered for supervisory/management levels students would have to become full-time employees.

It is evident from the *Survey of Undergraduates* that only a small proportion of student workers initially sought term-time employment for reasons associated with their ultimate career goals. However, this does not rule out the possibility that the temporary job might give rise to unexpected career opportunities. Moreover, as suggested by some interviewees, the term-time work may help to refine the choice of career. Student employees usually have the option of continuing to work at their temporary jobs following graduation while they look for a suitable career appointment. This reduces short-term financial pressures after graduation and potentially allows a longer period for job search.

3.5. TRENDS IN THE STUDENT LABOUR MARKET

This section examines the recent trends in student involvement in the labour market and the factors that are likely to influence the extent of participation. The first sub-section summarises the attempt to assess the development of the phenomenon over time within the group of organisations covered by the survey. It considers the extent to which student employees have become an integral part of the local labour market from the perspective of employers. We then go on to investigate the way in which changes in business organisation and technology might impact upon the employment of students in the future, and whether employers expect to increase the number of student employees in the near future (the next two years).

Trends in student labour market activity

Some of the large employers in the survey only recently established their operations in the area (e.g. the call centres), and have been able to take advantage of the opportunities of appointing students right from the start of their business activities. These businesses specifically regard students as structurally important to their operations, and the way in which systems have been established at these new greenfield businesses facilitates the use of student labour.

In several of the organisations, the employment of students is a long-standing practice (e.g. in retailing, supermarket stores, etc.), traditionally involving Saturdays only, or perhaps one evening per week (e.g. late opening in the retail sector). The duration of employment was usually for a specific number of weeks (often on a full-time basis) during the summer period. The research revealed a clear shift in practice among a number of these businesses in favour of not only using more students as employees, but also deploying them in different ways to traditional practice.

A typical example of this change would be the high street retailer selling stationery and books. In the past, this firm had employed students predominantly for Saturday and vacation work, but is currently recruiting students to work 7.00-9.00am every weekday for their new city centre store. The branch also requires that the students taken on should also *be available during all vacations*. In other words, the type of shift to be staffed makes students particularly appropriate employees, although the positions by default must mainly apply to those students who both live and study locally.

Of the 28 organisations surveyed, as noted above, only three were found not to employ students either in term-time or during the vacations. A large department store in the city centre of Newcastle indicated that the core contractual arrangements for part-time staff prevent students from applying for part-time employment. It was also pointed out that summer holiday schedules are arranged in such a way that there is no need to hire extra labour as cover during this period. This particular employer is renowned for the favourable terms offered to employees, including company shares.

Employees are regarded as partners in the company and current employment practices appear to protect them.

Another firm not employing students, a locally based public relations company in Gateshead, presents something of a contrast. The personnel manager pointed out that they did not employ students simply because they were not approached by them. She indicated that the existing staff is overburdened and that the firm could use student skills in answering the telephone, keyboard work, data handling and report writing - the type of work felt to be 'particularly suitable for part-time employees'.

Of the 25 firms in the survey which did employ students, ten indicated that they had experienced an increase in the number of *approaches/job applications* from students, either during term-time or during vacations. Despite this, the evidence with respect to trends in applications is rather difficult to interpret. Several companies have been trading for a relatively short period of time and consequently found it difficult to discern patterns or to isolate whether any absolute increase in the number of student approaches is due to their greater public profile or increasing student need. The majority of firms that reported an increase in applications also suggested that this was the result of steady, year on year growth, rather than linked to any specific event, such as changes in the level and availability of grants.

However, the effects of changes to student funding may not have fully worked through yet. As indicated in the *Survey of Undergraduates*, section 1.3, the number of registrations received by UNN's student employment service, Tempo, has increased by 66% in the first two months of the 1999/2000 academic year when compared to the same period last year (although part of this increase may be due to increased student awareness of the agency). Additionally, the manager of one of the employment agencies believed that recent changes in relation to welfare benefits made it more difficult for non-students to accept short-term contracts and subsequently re-enter the benefit system.

Several companies indicated the number of students being recruited had increased in recent years. The increase in demand for student labour can be explained by a number of processes: changing business practices (e.g. 'outsourcing' parts of the operation), new business growth (most obviously in call centres and some areas of software production), expansion of existing activities, such as retailing, and the consumer-led development of extended opening hours. The stationery retail chain, opening a new city centre store with expanded trading hours, has effectively doubled its demand for employees locally. For retailers, Sunday trading was felt to have made an impact on the employment of students; since employees have the option whether to work Sundays, students are thus an alternative for non-student employees unwilling or unable to work.

Potential impact of organisational and technical changes

The evidence from the survey indicated that the most significant influences on the projected demand for student employees have continued to be plans to expand existing businesses (either by increasing the size of operation and/or by extending

hours of work) and technological changes in the process of production or service provision. The manager of one department store, for example, indicated that a move in the next 18 months towards employing more staff on contracts of 8-12 hours per week may prove attractive to students and thus lead to an increase in the numbers employed.

Management at the larger supermarket indicated that the main factor leading to more student employees will be expansion plans, with the building, of a huge new store employing 800 people - double the existing workforce. Since the majority of letters received enquiring about jobs are from students, most of the appointees are likely to come from this group - simply on the basis of proportionality rather than targeting. However, a novel feature of the new store will be that, because of its floor-size, people on roller blades will be employed to fetch goods to checkouts and to confirm prices (as already tried in France). Students are expected to be prime candidates for this task. They are not expected however, to be candidates for some of the skilled trade jobs (such as butchers) at the specialist counters that are to be introduced.

One of the call centres indicated that changes in demand for student labour would depend upon the 'product set' assigned to the site. The global positioning of the company gives it an opportunity to develop products for any country and could find languages important; it might also operate on a 24-hour basis and/or expand overall capacity. Managers at the telesales facility anticipate an increase in the required 'skills set', which, they acknowledge, is likely to give students a very competitive position in relation to these jobs.

Technological developments were identified as particularly important to both the financial institution head office and the manufacturing SME. The representative of the former stated that, 'the main thing driving this process for us is the migration away from labour-intensive work towards "smarter" jobs'. Because the financial services sector is moving towards a wider variety of products and more self-service systems - each backed up by advisers - employees will have to deal with newer technology and processes needed for this change. Within these organisations, it was argued that technological change of this type would work against 16+ year olds (who have comprised a significant part of the traditional workforce) in favour of older students and graduates. Technological change within manufacturing in general is leading to an increased requirement for support services within the factory. The manufacturing SME drew attention to the fact that the jobs usually carried out by student employees fall into the category of 'support' and that as a consequence, demand for students is likely to grow during the coming years.

Within the public sector organisations a number of factors made it difficult to determine future trends in student employment. Public sector leisure services have come under pressure from both tight budget constraints and competition from private providers. There is some evidence that competition and 'cream-skimming' by the private sector has reduced the demand for sport and leisure facilities from higher income groups. This in turn has led to a fall in the amount of income generated by publicly-provided facilities at a time when more service obligations were being imposed. These trends create a great deal of uncertainty in the sector and pose a threat

to workers - the interviewee expected that this may lead to a reduction in staff numbers and commensurately fewer opportunities for students.

In another part of the public sector, the Hospital Trust, recent changes (e.g. health care delivery, together with budget constraints and uncertainty resulting from the minimum wage) make it difficult to judge whether more or fewer students will be employed in the future. Taken together, these changes limit the potential for employment growth generally. Developments in IT are forecast to contribute to a fall in the overall numbers employed and a switch towards part-time working. It is not likely that students will play a prominent role in relation to the part-time job opportunities which arise since those remaining in employment would be concentrated in the core businesses of the Trust. In this situation, however, there might be an increase in the number of opportunities for students to carry out short-term project work and discrete tasks.

Of the 25 firms currently employing students, only two envisaged requiring fewer students in two years time. A further eight forecast that requirements and recruitment would remain broadly the same, while eleven anticipated that the number of students employed was likely to increase in the next two years. The employers anticipating increased numbers of student employees did so based mainly on overall growth projections, rather than the specific need for more students. The remaining four organisations were uncertain about future trends and stated that prevailing trading conditions would be the main determinant of the level of student employment. To an extent, this uncertainty may privilege students versus other sources of labour. Students are shown by this *Survey* to be more willing to accept a low number of basic hours, temporary contracts and turnover is high. A company seeking to limit fixed costs may find that these factors make students a more attractive prospect as employees.

Potential for making supply-side mechanisms more efficient

For the recruitment of students to perform general tasks rather than ones, which require specific (often course-related) skills, the present system appears to be functioning efficiently. It was clear from the interviews, however, that the flow of information between the students (supply) and the employers (demand) could be improved, and that many employers were only gradually learning how best to access this source of labour and the specific skills it might possess. Agencies in the private sector and student employment services set up by the universities, play a significant role in the process of bringing together the student employee and the employer and it is worth considering how these intermediaries might operate more effectively.

The level of awareness of the universities' student employment services on the part of employers was high; given the short period they have been in existence at the two city centre campuses. Moreover, there is plenty of evidence that local employers are using them. Their services differ significantly from recruitment agencies in that they have a policy of *not* screening applicants (through interviews or other means) and of *not* advertising vacancies for jobs entailing more than 15 hours per week (on the grounds

that this might interfere with studies), nor will they accept jobs paying less than £3.20 per hour.

The manager of one of the employment agencies surveyed felt that more *information* on the part of students of the function of agencies would enable them to access job opportunities more easily in the area. It was perceived that students offered a 'good fit' for the type of employees that the agency (and thus employers) required, but that students were not always aware of the agency and its potential to find part-time, temporary jobs.

Several practical suggestions arising out of the interviews with employers might help improve the efficiency of supply in relation to demand. These included:

- periodic term-time mini recruitment fairs, to be held in the universities, with adequate and appropriate publicity to employers and students

- student employment services to hold references (pro-forma basis) from appropriate university staff for distribution to potential employers (this would avoid delays and problems caused when, for example, a particular staff member is away from campus, such as during the summer vacation)

- information to be regularly updated and developed within an effective database; making effective use of the Internet to communicate e.g. skills bank/jobs bank accessible to employers/students; several employers expressed interest in the idea of being able to examine lists of available skills among students registered with the agency

Overall, the survey revealed that there were only isolated cases of specific skill shortages where the use of students might be feasible. Most of the current hard-to-fill vacancies related to relatively specific occupations - personal assistants, business administrators, chefs, class 1 & 2 drivers and medical laboratory assistants - which would in ordinary circumstances be inappropriate for students seeking part-time work. Students with appropriate course-related skills were considered a possibility, however, in relation to a number of current vacancies, including those for people with a knowledge of pharmacy (retail chemists), a background in textiles and fashion (for a high street store's clothing section), a familiarity with PCs and information technology (in the health sector and electrical goods sales) and basic skills in electronics design (audio equipment manufacturer). There may be scope for growth in job opportunities for students in more specialist areas (e.g. professional, associate professional and technical occupations) - which currently account for only 10% of total student employment (see **Table 5** in the *Survey of Undergraduates*) – which would potentially offer substantial benefits to both students and local businesses.

However most of the growth in student employment, as suggested elsewhere in this report, is anticipated to be closely linked to the availability of students for work at unsocial times and business growth in the same sectors (and thus the occupations) where students currently play a significant role.

3.6. BROADER IMPLICATIONS

Students make decisions about engaging in the labour market based on their own assessments of the utility to be derived from their participation. As the *Survey of Undergraduates* shows, their motivation to do so, derives primarily from wishing to meet the financial obligations associated with their studies and desired consumption levels. The analysis indicates that employers on the other hand make recruitment decisions concerning students, principally upon an assessment of their effectiveness as employees to meet trading needs.

These economic decisions have implications beyond the actual transaction itself in three principal respects:

1. there are a number of impacts upon students, some of which may only become apparent in the future (i.e. value of experience and skills gained upon career choice or access), plus the possible deleterious effect of time spent working upon their ultimate level of attainment and degree classification

2. potential longer-term effects for companies (i.e. recruitment at graduate level)

3. impact upon others in the labour market competing against students for jobs

Experience and skill acquisition

The *Survey of Undergraduates* showed that students undertaking term-time work are primarily interested in the pecuniary aspects of the contract - they need the money. While tangible fringe benefits (such as subsidised meals or access to sports facilities) are also likely to be valued, there is no evidence to suggest that the skills and experience gained in the work environment play a part in the decision to take a particular job. Yet, while in work the student will be exposed to a particular work culture and may develop skills, which may be of value in terms of subsequent job seeking.

Clearly, this idea relates closely to initiatives that exploit work experience to produce graduates who may be considered more 'employable'. As part of the general attempt to raise skill levels in the workforce, a series of initiatives has been developed nationally to prepare students for the world of work. These include the Council for Industry and Higher Education's National Centre for Work Experience, which has been formed to promote, support and develop work experience and the DfEE funded Experience Works project at the Universities of Newcastle and Northumbria. This joint initiative operates to inform students of the importance of work experience and the need to learn from it, to help embed work experience more fully within the curriculum and to seek ways of accrediting such experience either within existing courses or via a 'stand-alone' module offered generally to students (Harvey, 1999). Under the 'HE Reach Out to Business and the Community' fund (HEROBIC), institutions can create and develop units to promote wider experience of employment

outside HE for students. Such initiatives reflect the view that if students are assisted in identifying the skills that they are gaining through work experience, then almost any work experience can become valuable and useful.

The impracticability of achieving a significant extension of quality work placements has also resulted in a shift of responsibility on to students for finding work experience. The institution's role is limited to stimulating and assisting the student to find the work and then assess what they have obtained from it in terms of relevant experience and skills (Tysome, 1999). While such formal placements are explicitly organised and planned to allow students to derive benefits in terms of formal skills and competencies, student employees and employers enter into a fundamentally different contract in relation to the term-time work considered here. In relation to term-time work, the aims of the two contracting parties are more narrow and the university involvement non-existent or very indirect.

Employer respondents were consistent in claiming that the experience of working has benefits for students, beyond income and fringe items. All managers mentioned the benefits likely to be gained as a result of exposure to 'the world of work'. At a fairly basic level it was felt that the need to conform to codes relating to dress and behaviour, including attendance and timekeeping, was useful in helping the transition to more mature modes of behaviour in general. More particularly, from the perspective of developing skills, respondents singled out the positive aspects of the experience of working with people, of different ages and backgrounds, in both dealing with customers and co-operating with colleagues (teamwork). They recognised the skill, for example in the telesales jobs or bars, needed in order to deal effectively with difficult customers. Larger organisations stress the benefits derived from insider experience of a large organisation and corporate culture.

In evaluating the value of work experience to the student, the benefits of enhancing 'employability' in obtaining an ultimate career goal cannot be summarily dismissed. However, such benefits must be weighed against the more direct and measurable one of optimal degree classification. Many employers of graduates require particular degree classifications from candidates, before they will shortlist them. Once past this first stage the employability and experience factors carry weight. Thus, if time spent working *instead of studying*, impairs academic attainment (see *Survey of Undergraduates,* **Section 2.4)**, students choosing or feeling obliged to work, may impair rather than enhance, their ultimate career prospects. Students may not be fully aware of this potential trade off when they undertake term time employment. Vacation employment may also offer students the opportunity to enhance their employability, as there does not appear to be anything particularly distinctive about the experience gained from term time employment.

Career opportunities

More than half of the interviewees reported limited instances of student employees going on to join the company as graduates. Not all of these were long-term career choices by the former student employee however, since it is not uncommon for students completing their studies to move from part-time to full-time positions (e.g. as

bar persons, telesales operatives and information technology specialists) with the same employers, while seeking a permanent career post. Sometimes such moves do develop into permanent positions, as initially unforeseen career opportunities open up, but this is almost entirely a short-term option. In light of the potential impacts of term time employment, it may even be that working students can be disadvantaged in their initial job searches by impaired academic attainment or insufficient time due to balancing work and study commitments.

More modest benefits are occasionally available: one large employer of students offers formal sessions in preparing a CV (backed-up by individual advice) and training in preparing for interviews. There was also a suggestion in the interview findings that student employees may find it easier to obtain permanent career positions with those organisations, which undertook graduate level recruitment ***locally*****.** The number of instances is small, but includes an internationally known local software company, a large financial institution headquartered in Newcastle and a significant manufacturing SME. Management at one of the software producers acknowledged that students working part-time for the company could be observed at close quarters and that those demonstrating sufficient OTJ (on-the-job) skills had been taken on and offered employment and a career path within the rapidly expanding company. Although, according to an executive at the financial institution, the experimental programme to employ students had not yet given opportunities to take on the part-time employees on a permanent basis, he considered it 'very likely' that this would happen, since many of the recent graduate recruits had come from among those who worked for the company during vacations.

It is clear from the interviews that, although there are some advantages to student employees seeking a management career via the graduate intake of the companies in which they have been employed, it is easy to overstate the chances of this occurring, particularly within large national or international companies. As a HR manager of a high street electrical goods retail group put it:

> *Store employees are very much the preserve of **local** managers who do not have an input into the graduate recruitment scheme. A favourable reference and appropriate experience would carry weight but **centrally** it is stressed that graduate recruits require different skills and that different criteria are applied.*

Part-time work in branch operations is **not** used as a screening device on the whole. The findings from the *Survey of Undergraduates* regarding objectives, showed that students are pragmatic in this respect and comparatively few see their term time job as a means to progression. Sometimes, it was noted, a student employee who demonstrates considerable management potential might be encouraged to apply and appropriate support given to his/her application from the local manager, but there were still many hurdles to overcome including, as one manager pointed out, the rigours of the recruitment process ('application form, psychometric tests and interviews'). Thus, employment as an undergraduate does not provide a 'fast track' to a graduate recruitment scheme.

Labour market displacement

One of the most important questions this study addresses relates to the issue of labour market displacement. Do students take jobs which other, less-advantaged, groups within the labour market might otherwise fill? This question is given added significance because, with attempts to widen participation in HE, as well as changes in financing, the number of students coming onto the labour market appears likely to increase in the next few years. Furthermore, the question is even more apposite in areas of high unemployment such as the Northeast. Not only are there fewer jobs to go round, but evidence from the *Survey of Undergraduates* suggests that students from these poorer areas are more likely than others to remain at home while studying and to seek term time employment, thereby increasing competition for the jobs that are available.

Of course, the very presence of students within the locality generates a substantial number of jobs. A recent NERU study (Lincoln *et. al.,* 1998) shows that indirect jobs related to university and student spending in the Northern Region amounted to between 4,120 and 4,900. However, of these, the *Survey of Undergraduates* suggests that 1,244 Full Time Equivalent jobs in the Newcastle area are actually filled by students from the University of Northumbria alone. Therefore to a significant extent, students are fulfilling the demand created by their own expenditure within the local economy. This is particularly likely to be the case in the city itself, since it is here that student expenditure (and employment) is concentrated. The most obvious example of this relates to bars, restaurants and cafes, but the argument also applies in the case of supermarkets in student residential areas.

To pursue the displacement issue, employers were asked whether an activity would still take place if students were not employed to undertake it. In virtually all cases organisations indicated that, if they were without access to student labour, the activity *would still take place at the existing site*. Alternative workers would be recruited from among other, non-student sources of available labour. A large proportion of these replacements would also be part-time appointments; only three of the 25 respondents employing students suggested that they would substitute student part-timers with full-time appointments. The HRM at one of the call centres, for example, said this would involve increasing the number of part-timers who otherwise had care responsibilities (especially women, probably with school-age children), 'retired' people seeking part-time work, and school leavers.

Just three respondents suggested that the jobs currently held by students might not be filled in their absence, and these involved only a small number of students. One relates to the electrical engineering SME. The (two) students currently working at the company are used on projects the company has no designated permanent member of staff to undertake; one of them also acts as a 'float' staff member who can fill in on a range of jobs as required. The personnel manager made it clear that people would not have been taken on specifically to do these jobs, pointing out that the part-timers tend to be very much additional workers who happen to be available to do a specific task or tasks. At another firm, students facilitate the retention of a relatively high level function. If students were not available, it is unlikely that their five part-time jobs

could be filled from other sources. Additionally, a further eight full-time jobs in the office would be put at risk.

One of the significant changes within the economy during the 1990s has been the deregulation of opening hours, affecting shops, financial institutions, pubs, restaurants and other service sector enterprises. This consumer-led development has taken place in the face of concern about the impact this would have upon 'family life', given the need for people to staff the facilities during the extra hours of opening. When the government authorised deregulation, it was agreed, as part of the process, that no one should be forced to work on a Sunday. The study suggests that students have played a major role in meeting the extra demand for labour at unsocial hours.

Students' willingness to be flexible in order to secure employment is sometimes reciprocated by employers. This can be on a day to day basis to help students meet study deadlines or longer term in helping them secure vacation employment with another branch of the same firm. However, this flexibility was not found consistently, even amongst branches of the same organisation. Some employers insist on contracts where students guarantee their availability all year round, including vacation time. There is also evidence of students being issued with contracts guaranteeing a low number of basic hours (7-8 hours), but being tied to being available for extra hours at particular times on request. This combined flexibility and availability allows firms the maximum opportunity to closely match staffing to trading patterns. Other workers usually would not be able to compete on these terms: they may have childcare to arrange and/or a greater need to generate a certain income level in order to meet their fixed costs.

From the employers' perspective students provide a source of labour to which access is relatively easy and cheap. Several respondents recognised that having to seek alternative employees would not be without its drawbacks, including the possibility of having to take on staff with lower qualifications and more restricted basic abilities. One of the call centres pointed out that the student element of its workforce would be difficult to replace in terms of the quality of the work, while several respondents suggested that obtaining the alternative workers via the JobCentre would involve additional transactions costs: increased screening of applicants and extra training requirements. There is also the potential for access to additional student recruits via word of mouth contacts and other informal methods at the place of study. Training costs for students are relatively low as they usually come with a number of 'givens' in terms of basic skills and the ability to learn new skills quickly. The suggestion here was that students are capable, quick to learn and more 'easily moulded' than other employees. Other employers (see *Survey of Employers* **Section 3.2**) valued students' 'imprintability' and their lack of preconceptions about work.

Certainly, for the period of their lives that students engage in term time work, it is likely that students have relatively little prior experience of the labour market, when compared to other workers with whom they are in competition for vacancies. In addition, as students predominantly see term time work as temporary and not linked to their long-term career goals (see **Table 7,** *Survey of Undergraduates*), they can afford to be more flexible. Potentially they can tolerate unfavourable conditions if necessary,

as the arrangement is not a permanent one. For other workers these particular jobs may represent their only option; thus meaning that they have a greater, expressed interest in ensuring that conditions are favourable for the long term. Their awareness and attitudes may have been shaped by previous experience in the labour market and this may be formalised by union membership. Conversely it may be that students are not always aware of their rights in connection with employment. The NUS' *Students at Work Survey* (1999) found that of 300 students in employment, 42% had not received written contracts. The NUS is currently (December 1999) working in conjunction with the TUC to raise students' awareness of their employment rights, with their 'Unions in Partnership' initiative.

Market uncertainty appears to privilege students, willing to work unsocial hours and accept temporary contracts. Students are perceived as being relatively inexpensive, in terms of pay, given what they are able to contribute to the respective firms. Moreover, it was recognised by employers that the transaction costs associated with engaging workers from alternative sources would be relatively high. The findings clearly suggest that displacement occurs and that student participation in the labour market may be depriving some individuals (and their households) of income earning opportunities in routine jobs.

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APPENDIX 1. THE SURVEY OF STUDENTS

The questionnaire (reprinted in appendix 3) was sent out to one-fifth of full-time, EU undergraduate degree students at the University of Northumbria (1814 students), the only stratification was by degree title. The 1,814 questionnaires were distributed at the beginning of February 1999. Student names were placed on noticeboards and students asked to collect the questionnaire from their divisional office. Students who failed to collect questionnaires had it sent to them by post. As a consequence of the number of questionnaires involved and prevailing administrative arrangements, students within the Business School (426 students) were contacted by post. By week one of April 1999, 879 questionnaires had been completed and returned, giving a response rate of 48.4%. These responses form the information base for the greater part of this report.

Appendix 1A of this appendix examines the representativeness of the sample against known population parameters (gender, year number etc.). Appendix 1B assesses the representativeness of the sample with respect to some of the unknown population parameters (students taking out loans etc.) by using data collected via a short postal survey of 252 of the non-respondents to the original questionnaire.

APPENDIX 1A. REPRESENTATIVENESS OF THE SAMPLE, KNOWN POPULATION PARAMETERS

Gender Balance

The full-time university undergraduate population (after the removal of students on non-standard degree programs, for example, nursing) is approximately 49% male; our sample frame was 48.9% male and the returns were 40.2% male. The returns thus have a bias towards female respondents, however, labour market participation, the main focus of this report, is very similar for both sexes.

Mature Students

Within this study mature students are defined as being 26 or over. The student population includes approximately 7.5% mature students although this figure is calculated using data which includes several courses excluded from our study (e.g. nursing). With no detailed information available on age when selecting the sample an unspecified number of mature students were included, 13.2% of responses were from mature students.

Region of origin

The student population includes 48.0% of students from the Northern Region. Our sample contained an unspecified number from the Northern Region, and 45% of the

responses were from students living in the northern region prior to commencing their studies.

Year number

There were few differences between the population, sample and responses when decomposed by year number, as detailed in **Table 44**.

TABLE 44. Number of students by year

Year No	Population	Sample (students on placement removed)	Responses
1	37.4	37.7	36.6
2	30.1	29.8	29.9
3	20.1	20.4	19.5
4	12.4	12.1	14.0
	100	100	100

By Faculty

Arts and Design are consequently underrepresented, even after taking into account gender differences and Social Sciences are over represented.

TABLE 45. NUMBER OF STUDENTS BY FACULTY

Faculty	Population	Sample	Responses
Arts and Design	20.8	21.0	18.3
Carlisle	3.3	3.4	4.0
E.S.T.[22]	22.2	21.6	20.4
H.S.E.[23]	7.0	7.0	6.3
N.B.S.[24]	23.2	23.5	22.4
Social Sciences	23.5	23.5	28.7
	100	100	100

22 Engineering Science and Technology
23 Health Social Work and Education
24 Newcastle Business School

By department

TABLE 46. NUMBER OF STUDENTS BY DEPARTMENT

Department	Pop no.	Population	Sample	Responses
N.B.S.	2381	26.1%	26.5	25.9
Built environment	580	6.4%	6.2	5.9
Chemical and life sciences	527	5.8%	5.7	6.9
Computing and maths	460	5.0%	4.9	4.4
Design	644	7.1%	7.1	5.8
Economics and government	453	5.0%	5.0	5.6
Education	283	3.1%	3.1	4.1
Engineering	463	5.1%	4.7	3.1
Geography and environmental management	349	3.8%	3.7	4.1
Health disability and rehabilitation	116	1.3%	1.3	0.0
Historical and critical studies	396	4.3%	4.4	3.9
Housing	33	0.4%	0.4	0.7
Information and library management	179	2.0%	2.0	0.7
Law	504	5.5%	5.6	6.1
Modern languages	242	2.6%	2.7	3.8
Multi-disciplinary practice development	282	3.1%	2.9	2.6
Psychology	253	2.8%	2.7	4.0
Sociology	372	4.1%	4.0	5.5
Sports science	179	2.0%	2.1	2.7
Visual and performing arts	437	4.8%	4.8	4.2

Non UK students from EU

Within the population, 762 or 8.3% of students were EU students from outside the UK. the corresponding sample and responses figures were 8.5% and 5.2% respectively.

Gender/Faculty

TABLE 47. GENDER DECOMPOSITIONS BY FACULTY

Faculty	Population		Sample		Responses	
	M	F	M	F	M	F
Arts and Design	17.4	24.0	17.0	24.7	12.5	22.2
Carlisle	2.2	4.3	2.7	4.1	3.4	4.4
E.S.T.	33.7	11.4	32.4	11.2	32.6	12.2
H.S.E.	1.8	11.9	1.7	12.1	1.1	9.7
N.B.S.	24.1	22.4	24.4	22.7	21.8	22.8
Social Sciences	20.9	25.9	21.8	25.2	28.6	28.7
	100	100	100	100	100	100

Adjusted employment figures

If weighted by faculty then the appropriate employment figure is 36.3%

Males in the student population represent 48.2% (in the sample the figure is 48.9% and the figure for returns is 40.2%,). If weighted by gender the appropriate figure employment figure is 36.1%.

APPENDIX 1B. REPRESENTATIVENESS OF THE SAMPLE, UNKNOWN POPULATION PARAMETERS

Of the 1814 original questionnaires sent out 935 were not returned. In order to check for any biases in the respondents, a short questionnaire was sent to 500 students randomly selected from the 935 non-respondents. This was done early in the 1999 summer vacation period; 252 or 50.4% of these questionnaires were returned in a usable form.

The questionnaire contained the following questions, all requiring a tick in a 'yes' or 'no' box with the exception of question one, which required a male/female response and question nine which filtered out certain subgroups of students.

1. Gender
2. Last academic year, did you live with your parents of guardian during term-time?
3. Last academic year, did you supplement your income with a contribution from your parents or guardian?
4. Last academic year, did you supplement your income with any savings you may have?
5. Last academic year, did you receive a maintenance grant?
6. Last academic year, did you take out a student loan?
7. Last academic year, did you engage in any form of paid employment during term-time?
8. Last academic year, did you engage in any form of paid employment during *February* or *March*?
9. If you are, a) 26 or more years old or b) living with a partner or c) have dependants, please tick this box.

The two months in question 8 refer to the period when the main sample was collected, the addition of question 7 allows the obvious estimate of students in term-time employment at some point in the academic year. Question 9 was intended to filter out students who are potentially from different (and smaller) populations of students. Due to the size of these smaller populations, it would be virtually impossible to gain enough observations to statistically check their representativeness and the inclusion of several 'check' questions would have increased the size of the questionnaire thus lowering the response rate.

The following sections compare the reminder questionnaires with the main sample using standard chi-squared tests.

Grant

The responses to the reminder questionnaire showed, 62.3% or 157 students were in receipt of a grant, within the main sample 67.5 (562/**832**) generating a *p*-value 0.12, indicating no significant difference between students responding to the initial and reminder questionnaires.

Loan

The responses to the reminder questionnaire showed, 187 (out of 251) or 74.5% had taken out a student loan, within the main sample 69.5% (578/**832**) generating a *p*-value 0.1, indicating no significant differences. NOTE: We would expect the loan take-up figure for students responding to the reminder questionnaires to be higher than those responding to the main questionnaire since it was collected at the end of the academic year.

Place of residence

The responses to the reminder questionnaire showed, 75 (out of 521) or 30.3% of students lived with their parents or guardian during term-time, within the main sample (of UK students) 27.2% (226/**832**) lived with their parents guardian. *p*-value 0.40, indicating no significant difference.

Gender[25]

The response rate from male students to the reminder questionnaire was 45.2% (126/279), within the main sample the response rate form male students was 39.8% (353/**887**) this was not a statistically different response rate (p=0.139).

The response rate from female students to the reminder questionnaire was 57.0% (126/221), within the main sample the response rate from female students was 56.7% (526/**927**) this was not a statistically different response rate (p=0.942).

Proportions of workers

The responses to the reminder questionnaire showed, 42.1% or 106 students were employed during February or March in the 1998/99 academic year the figures for the main sample was 38.6% (321/832) a p value of 0.32, indicating no significant difference.

The responses to the reminder questionnaire showed, the 48.2% of students had been in some form of paid employment during term time (121/251).

All of the tables below (excluding all mature, married and students with dependants) indicate that there are no significant differences between the propensities to work of various subgroups of students within the main sample and the sample of non-respondents.

25 Unlike the other parameters within this section, gender is a known population parameter

TABLE 48. GENDER

	ORIGINAL SAMPLE %	N	REMINDER %	N	P value
Men employed	32.9%	91/227	36.7%	40/109	0.55
Females employed	38.8%	158/407	44.8%	47/105	0.27

TABLE 49. GRANT STATUS

	ORIGINAL SAMPLE %	N	REMINDER %	N	P value
Grant employed	39.3%	171/435	43.8%	56/128	0.37
No grant employed	31.3%	78/249	36.0%	31/86	0.42

TABLE 50. TERM-TIME PLACE OF RESIDENCE

	ORIGINAL SAMPLE %	N	REMINDER %	N	P value
With parents employed	60.7%	125/206	58.5%	38/65	0.75
Not with parents employed	25.9%	124/478	32.9%	49/149	0.10

TABLE 52. STUDENT LOAN STATUS

	ORIGINAL SAMPLE %	N	REMINDER %	N	P value
Loan employed	36.0%	166/461	39.6%	63/159	0.42
No loan employed	37.2%	83/223	42.6%	23/54	0.47

APPENDIX 2. STUDENT QUESTIONNAIRE

STRICTLY CONFIDENTIAL

Higher Education - Student Questionnaire

1. Full name .....

2. Course.....

3. Year of study.....

4. Age. ☐ **5. Sex.** Female ☐ Male ☐

6. Marital status.

Single ☐ Married or living with partner ☐ Separated ☐ Divorced ☐

6. b. How may dependants do you have, if any? ☐

7. What is the name of your home town and county?

☐

8. Do you live with your parents/guardian during term-time? Yes ☐ No ☐

9. Do you receive a local authority maintenance grant? Yes ☐ No ☐

10. Do you pay any tuition fees? Yes ☐ No ☐

11. Have you taken out a student loan this academic year? Yes ☐ No ☐

11.b. If yes, did you borrow?

a) The maximum amount ☐

b) Less than the maximum amount ☐

11.c. If no, do you anticipate taking up a student loan this academic year? Yes ☐ No ☐

12.On average how many hours of university tuition are you scheduled to receive each week? ☐

13. Would you consider changing your course to a part-time basis if the option were available? – Remember this would increase the length of your course Yes ☐ No ☐

14. Do you have a TERM time job? Yes ☐ **Go to 15** No ☐ **Go to 38**

15. Do you have more than one regular job? Yes ☐ No ☐

IF YOU HAVE A TERM TIME JOB QUESTIONS 16 TO 37 REFER TO THIS JOB.
IF YOU HAVE MORE THAN ONE REGULAR JOB, PLEASE REFER TO YOUR MAIN JOB IN QUESTIONS BELOW.

16. Is your job (This question only refers to term-time hours)

Full-time ☐ **Part-time** ☐ **Sometimes full-time, and sometimes part-time** ☐

17. How long have you had this job?

0-3 Months ☐ **3-6 months** ☐ **6 months to 1 year** ☐ **Over 1 year** ☐

18. What is your job title? ☐

19. What is the name of the organization or agency that employs you? ☐

20. Where is your job located? e.g. Gosforth High Street ☐

21. What was your main reason for taking this job? Tick ALL those that apply

- A. Simply enable me to remain at university ☐
- B. To achieve a desired standard of living ☐
- C. To fill-in spare time ☐
- D. The job is related to what I want to do after university ☐
- E. As an alternative to borrowing/borrowing more ☐
- F. Other, please specify

.....

22. How did you find out about your current job?

- A. Newspaper advertisement ☐
- B. Friends/contacts already working there ☐
- C. Job centre ☐
- D. Recruitment agency ☐
- E. Noticeboard around university ☐
- F. I saw an advert in the place where I now work ☐
- G. I approached my employer directly ☐
- H. Other, please specify

.....

23. On average how many hours a week do you work? ☐

24 What is your approximate hourly wage? ☐

25. In an average week what is your take-home pay? ☐

26. Do you receive any additional income in the form of tips or other extra payments? Yes ☐ No ☐

26. b. If YES how much in an average week? ☐

27. Do you work the same number of hours every week? Yes ☐ No ☐

28. Do you work the same shifts every week? Yes ☐ No ☐

29. When do you work? Tick ALL those that apply.

Daytimes 9am-5pm	Evenings 5pm-midnight	Nights after midnight	Weekends
☐	☐	☐	☐

30. Do you have control over the hours you work?

Complete ☐ Some ☐ None ☐

31. How long do you hope to keep this job?

Rest of this term ☐ Rest of this academic year ☐ Indefinitely ☐

32. Does your TERM job continue in the vacations?

Yes ☐ Go to 33 No ☐ Go to 34

33. Which vacations?

		On what basis:		
Christmas	☐		Full-time ☐	Part-time ☐
Easter	☐		Full-time ☐	Part-time ☐
Summer	☐		Full-time ☐	Part-time ☐

34. How, if at all, do you feel your term-time job has influenced your academic performance?

Significant improvement	Minor improvement	No perceived effect	Minor deterioration	Significant deterioration
☐	☐	☐	☐	☐

35. Does your job regularly cause you to miss any timetabled UNN sessions (be honest!)?

Never	Less than one hour a week	One or two hours a week	Three or four hours a week	Five or more hours a week
☐	☐	☐	☐	☐

36. If the amount of money you could obtain from a STUDENT LOAN was increased by exactly the amount of income you receive from work would you stop working?

Yes ☐ No ☐ Undecided ☐ I do not intend to use the loan system ☐

37. If you receive an additional grant equal to the amount of income you receive from work would you stop working?

Yes ☐ No ☐ Undecided ☐ I do not receive a grant ☐

GO TO QUESTION 43

38. Have you had a job at any time during this academic year and either quit or come to the end of your contract? Yes ☐ No ☐

38. b. If YES, why did you leave this job

.....

.....

39. What are your main reasons for not currently working? Tick ALL those that apply.

A. I have enough money from my grant and/or loan ☐
B. I am able to supplement my income from past savings ☐
C. I am able to supplement my income with parental contributions ☐
D. I have been unable to find <u>any</u> job ☐
E. I have been unable to find a <u>suitable</u> job ☐
F. I feel that working would reduce my grades ☐
G. Other, please specify

.....

40. Do you anticipate at any time getting a TERM-time job in the remainder of the academic year? Yes ☐ No ☐

41. Are you currently actively searching for a term-time job? Yes ☐ No ☐

42. Do you intend to get a job for any of the VACATION periods? Yes ☐ No ☐

42.b. If YES, will this planned VACATION job be in the Newcastle area?

Yes ☐ No ☐ Depends on where I can get a job ☐

43. What is the occupation of the major income earner in your permanent household? i.e. your parents' or partner's occupation. Please insert former occupation if retired or unemployed.

.....

44. Do you have any comments you would like to add, either in relation to the questions asked or the issues raised?

44. We are carrying out a more detailed study of how students fund their education, would you be prepared to be contacted again in relation to that study?

Yes ☐ No ☐

Please return the questionnaire to its original envelope and return it to your departmental office - it is already labelled with our address.

THANK YOU FOR YOU CO-OPERATION.

APPENDIX 3. SURVEY OF EMPLOYERS

The information gathered in connection with this part of the study was mainly derived from face-to-face interviews with management of businesses within the local area, supplemented by data drawn from the postal survey of UNN students and interviews with managers of job agencies and the work experience initiative (Experience Works) within the Universities of Newcastle and Northumbria. The choice of firms surveyed was determined by the initial returns to the student survey, which identified the principal sectors and types of businesses employing students. The survey of students showed the distribution of occupations to consist of: retailing (mainly sales assistants and till operators) 30%, bar work and restaurant servers, 29% (with a further 3% in kitchen work); office jobs, 8%, professional, associate professional & technical, 7%; telesales, 5%; and equipment operators 2% (**Table 1**). Almost half of the jobs, according to the survey, are located in the city centre and adjacent areas. Some additional sectors/types of firms were chosen at random to attempt to include employers which come from a wider geographical area and cover additional sectors. It was deemed appropriate to include some employers that did not employ students in order to widen the perspective relating to the demand for students within employing organisations.

Overall some 28 employers were interviewed, three of which do not employ students.. The sample of 25 organisations employing students included eight high street retailers (all of them part of major chains), two supermarket stores (one outside the city centre, the other in a student residential area of Newcastle), three city restaurant/bar outlets, two call centres, two employment agencies, the head offices of both a financial institution (which is piloting a number of initiatives relating to the employment of students) and a major manufacturing company, two large software producers, two public sector organisations involved respectively in leisure and health services, a market research organisation and a local SME engaged in electrical goods manufacturing. The three firms not employing students included two high street department stores and a public relations firm.

Among those able to supply details, there were businesses where the proportion of students in the total workforce was relatively high, particularly in the two call centres (15% and 20%), and in bars and restaurants, where the figure ranged from 35% to 65%. The absolute numbers varied, but the 19 respondents who were able to supply actual numbers, employed between them around 670 students (the other firms did not distinguish student employees from others). This total comprised 360 from the two call centres, and a further 20 in each of the head office facilities of large companies. In the larger supermarket store, around one-fifth of the total workforce was made up of students, although some of the 80 students employed were actually from colleges rather than university. In the supermarket servicing the area with a high population of students the proportion of undergraduate employees was some 30%. In general, high street retailers had smaller proportions (below 10%) of students in their total workforce, with the exception of two cases with, respectively 40% and 28%.